87R6679 BEF-D

By:  White H.B. No. 2829

A BILL TO BE ENTITLED

AN ACT

relating to restaurants and certain alcoholic beverage permittees, including the rates of certain taxes imposed on items sold by those establishments and the applicability to those establishments of certain orders issued in response to a disaster or emergency; temporarily decreasing the rate of the state sales tax on certain items; temporarily decreasing the rate of the mixed beverage sales tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 151.051, Tax Code, is amended to read as follows:

Sec. 151.051.  SALES TAX IMPOSED. (a) A tax is imposed on each sale of a taxable item in this state.

(b)  Except as provided by Subsection (c), the [~~The~~] sales tax rate is 6-1/4 percent of the sales price of the taxable item sold.

(c)  This subsection applies only to a taxable item sold by a restaurant that is not a permittee. The sales tax rate is:

(1)  3.125 percent of the sales price of a taxable item sold on or after the effective date of the Act enacting this subsection and before September 1, 2022;

(2)  3.75 percent of the sales price of a taxable item sold on or after September 1, 2022, and before December 1, 2022;

(3)  4.375 percent of the sales price of a taxable item sold on or after December 1, 2022, and before March 1, 2023;

(4)  5 percent of the sales price of a taxable item sold on or after March 1, 2023, and before June 1, 2023; and

(5)  5.625 percent of the sales price of a taxable item sold on or after June 1, 2023, and before September 1, 2023.

(d)  In this section:

(1)  "Permittee" has the meaning assigned by Section 183.001.

(2)  "Restaurant" means a place where meals are sold for immediate on-premises consumption.

SECTION 2.  (a) This section takes effect September 1, 2023.

(b)  Section 151.051, Tax Code, is amended to read as follows:

Sec. 151.051.  SALES TAX IMPOSED. (a) A tax is imposed on each sale of a taxable item in this state.

(b)  The sales tax rate is 6-1/4 percent of the sales price of the taxable item sold.

SECTION 3.  (a) Section 183.041, Tax Code, is amended to read as follows:

Sec. 183.041.  TAX IMPOSED ON SALES OF MIXED BEVERAGES AND RELATED ITEMS. (a) A tax is imposed on each mixed beverage sold, prepared, or served by a permittee in this state and on ice and each nonalcoholic beverage sold, prepared, or served by a permittee in this state for the purpose of being mixed with an alcoholic beverage and consumed on the premises of the permittee.

(b)  The rate of the tax is:

(1)  2.25 percent of the sales price of an item sold, prepared, or served at or after 3 a.m. on the effective date of the Act enacting this subdivision and before 3 a.m. on September 1, 2022;

(2)  3.45 percent of the sales price of an item sold, prepared, or served at or after 3 a.m. on September 1, 2022, and before 3 a.m. on December 1, 2022;

(3)  4.65 percent of the sales price of an item sold, prepared, or served at or after 3 a.m. on December 1, 2022, and before 3 a.m. on March 1, 2023;

(4)  5.85 percent of the sales price of an item sold, prepared, or served at or after 3 a.m. on March 1, 2023, and before 3 a.m. on June 1, 2023; and

(5)  7.05 percent of the sales price of an item sold, prepared, or served at or after 3 a.m. on June 1, 2023, and before 3 a.m. on September 1, 2023 [~~8.25 percent of the sales price of the item sold, prepared, or served~~].

(b)  The change in law made by this section applies beginning at 3 a.m. on the effective date of this Act. The law in effect immediately before the effective date of this Act continues in effect until 3 a.m. on the effective date of this Act.

SECTION 4.  (a) This section takes effect September 1, 2023.

(b)  Section 183.041, Tax Code, is amended to read as follows:

Sec. 183.041.  TAX IMPOSED ON SALES OF MIXED BEVERAGES AND RELATED ITEMS. (a) A tax is imposed on each mixed beverage sold, prepared, or served by a permittee in this state and on ice and each nonalcoholic beverage sold, prepared, or served by a permittee in this state for the purpose of being mixed with an alcoholic beverage and consumed on the premises of the permittee.

(b)  The rate of the tax is 8.25 percent of the sales price of the item sold, prepared, or served.

(c)  The change in law made by this section applies beginning at 3 a.m. on the effective date of this section. The law in effect immediately before the effective date of this section continues in effect until 3 a.m. on the effective date of this section.

SECTION 5.  (a) In this section:

(1)  "Permittee" has the meaning assigned by Section 183.001, Tax Code; and

(2)  "Restaurant" has the meaning assigned by Section 151.051(d), Tax Code, as added by this Act.

(b)  Notwithstanding any other law, an executive order issued under Section 418.012, Government Code, or an order issued in response to a disaster or emergency by a political subdivision of this state that applied to a permittee or restaurant immediately before the effective date of this Act does not apply to a permittee or restaurant on or after the effective date of this Act.

SECTION 6.  A change in law made by this Act does not affect tax liability accruing before the effective date of the change in law. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 7.  Except as otherwise provided by this Act, this Act takes effect July 1, 2021, if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary to take effect July 1, 2021, this Act takes effect September 1, 2021, except as otherwise provided by this Act.