

By: Howard

H.B. No. 2663

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the rate of state sales and use taxes imposed on certain
3 personal services and the use of a portion of the revenue from those
4 taxes for sexual assault programs; increasing the rates of taxes.

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

6 SECTION 1. Section 151.051, Tax Code, is amended by adding
7 Subsection (c) to read as follows:

8 (c) Notwithstanding Subsection (b), the sales tax rate is
9 18.75 percent of the sales price of a taxable item sold that is a
10 personal service listed under Group 729 of the Standard Industrial
11 Classification Manual, 1972, as massage parlors, an escort service,
12 or Turkish baths.

13 SECTION 2. Section 151.0595(e), Tax Code, is amended to
14 read as follows:

15 (e) As soon as practicable after the end of a state fiscal
16 year, the comptroller shall determine the estimated average rate of
17 local sales and use taxes imposed in this state during the preceding
18 state fiscal year by:

19 (1) dividing the total amount of net local sales and
20 use taxes remitted to the comptroller under this section and Title 3
21 during that state fiscal year by the total amount of net state sales
22 and use taxes remitted to the comptroller under this chapter during
23 that state fiscal year;

24 (2) multiplying the amount computed under Subdivision

1 (1) by the rate provided by Section 151.051(b) [~~151.051~~]; and

2 (3) rounding the amount computed under Subdivision (2)
3 to the nearest .0025.

4 SECTION 3. Subchapter M, Chapter 151, Tax Code, is amended
5 by adding Section 151.805 to read as follows:

6 Sec. 151.805. USE OF CERTAIN REVENUE FOR SEXUAL ASSAULT
7 PROGRAMS. Notwithstanding Section 151.801(a), an amount equal to
8 the proceeds from the collection of sales and use taxes imposed on
9 the sale or use of personal services described by Section
10 151.051(c) at a rate of 12.5 percent shall be deposited to the
11 credit of the sexual assault prevention and crisis services fund
12 established under Section 420.007, Government Code.

13 SECTION 4. The change in law made by this Act does not
14 affect tax liability accruing before the effective date of this
15 Act. That liability continues in effect as if this Act had not been
16 enacted, and the former law is continued in effect for the
17 collection of taxes due and for civil and criminal enforcement of
18 the liability for those taxes.

19 SECTION 5. This Act takes effect October 1, 2021.