

By: Metcalf

H.B. No. 3799

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from sales and use taxes for items sold by a nonprofit organization at a county fair.

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

SECTION 1. Section 151.3102, Tax Code, is amended to read as follows:

Sec. 151.3102. SALE BY NONPROFIT ORGANIZATION AT COUNTY FAIR. (a) The sale of a taxable item is exempt from the taxes imposed by this chapter if:

(1) the seller or retailer is a county fair association or another nonprofit organization that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization in Section 501(c)(3) of that code;

(2) the sale takes place at a county fair operated by a county fair association on property owned by the county fair association; and

(3) the purchaser is a person attending or participating in the fair.

(b) In this section:

(1) "County fair association" means an organization that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization in Section 501(c)(3) of that code and that organizes a

1 county fair that is primarily for the exhibition of local
2 horticultural or agricultural products or livestock. The term does
3 not include:

4 (A) an association that holds a license issued
5 after January 1, 2001, under Subtitle A-1, Title 13, Occupations
6 Code (Texas Racing Act); or

7 (B) an association that organizes events other
8 than a county fair, including an exhibition of arts and crafts or a
9 state fair.

10 (2) "Livestock" includes turkeys, domesticated fowl,
11 cows, sheep, swine, horses, mules, donkeys, and goats. The term
12 does not include domesticated animals such as dogs, cats, guinea
13 pigs, hamsters, or other similar animals.

14 SECTION 2. The change in law made by this Act does not
15 affect tax liability accruing before the effective date of this
16 Act. That liability continues in effect as if this Act had not been
17 enacted, and the former law is continued in effect for the
18 collection of taxes due and for civil and criminal enforcement of
19 the liability for those taxes.

20 SECTION 3. This Act takes effect October 1, 2021.