

BILL ANALYSIS

C.S.H.B. 135
By: Button
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current state law, horses, mules, work animals, and animal life, the products of which ordinarily constitute food for human consumption, are exempt from the sales and use tax. This exemption can benefit buyers and sellers of those animals by reducing sales tax costs and compliance obligations. However, exotic animals and game animals are not explicitly exempt from the sales and use tax under current state law, which can confuse buyers and sellers of such animals regarding their sales tax obligations. C.S.H.B. 135 seeks to address this issue by clearly exempting exotic animals and game animals from the sales and use tax, thereby codifying the common industry and comptroller of public accounts enforcement practice of treating sales of game animals, whether indigenous or exotic, as sales of exempt food animals.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 135 amends the Tax Code to exempt exotic animals, defined by reference to statutory provisions relating to the appraisal of agricultural land, and game animals, described by reference to Parks and Wildlife Code provisions relating to hunting and fishing, from the sales and use tax.

C.S.H.B. 135 expressly does not affect tax liability accruing before the bill's effective date. That liability continues in effect as if the bill 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.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

C.S.H.B. 135 differs from the introduced in minor or nonsubstantive ways by conforming to certain bill drafting conventions.