

By: Tepper

H.B. No. 3089

A BILL TO BE ENTITLED

AN ACT

relating to the exclusion of real property repair and remodeling services from sales and use taxes.

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

SECTION 1. Section 151.0101(a), Tax Code, is amended to read as follows:

(a) "Taxable services" means:

(1) amusement services;
(2) cable television services;
(3) personal services;
(4) motor vehicle parking and storage services;
(5) the repair, remodeling, maintenance, and restoration of tangible personal property, except:

(A) aircraft;
(B) a ship, boat, or other vessel, other than:
(i) a taxable boat or motor as defined by Section 160.001;

(ii) a sports fishing boat; or
(iii) any other vessel used for pleasure;

(C) the repair, maintenance, and restoration of a motor vehicle; and

(D) the repair, maintenance, creation, and restoration of a computer program, including its development and modification, not sold by the person performing the repair,

1 maintenance, creation, or restoration service;

2 (6) telecommunications services;

3 (7) credit reporting services;

4 (8) debt collection services;

5 (9) insurance services;

6 (10) information services;

7 (11) real property services;

8 (12) data processing services;

9 (13) ~~[real property repair and remodeling,~~

10 ~~(14)]~~ security services;

11 (14) ~~(15)]~~ telephone answering services;

12 (15) ~~(16)]~~ Internet access service; and

13 (16) ~~(17)]~~ a sale by a transmission and distribution
14 utility, as defined in Section 31.002, Utilities Code, of
15 transmission or delivery of service directly to an electricity
16 end-use customer whose consumption of electricity is subject to
17 taxation under this chapter.

18 SECTION 2. Sections 151.350(a) and (d), Tax Code, are
19 amended to read as follows:

20 (a) Labor to restore ~~[real or]~~ tangible personal property is
21 exempted from the taxes imposed by this chapter if:

22 (1) the amount of the charge for labor is separately
23 itemized; and

24 (2) the restoration is performed on property damaged
25 within a disaster area by the condition that caused the area to be
26 declared a disaster area.

27 (d) In this section, "restore" means:

(1) launder, clean, repair, treat, or apply protective chemicals to an item, to the extent the service is a personal service as defined in Section 151.0045; and

(2) repair, restore, or remodel, to the extent the service is[+]

~~[(A) a real property repair or remodeling service as defined in Section 151.0047; or~~

~~[(B)]~~ defined as a taxable service in Section 151.0101(a)(5).

SECTION 3. Section 321.203(e-1), Tax Code, is amended to read as follows:

(e-1) Except as otherwise provided by Subsection (f), (g), (g-1), (g-2), (g-3), (h), (i), (j), (k), or (m), ~~[or (n)]~~, a sale of a taxable item made by a marketplace seller through a marketplace as provided by Section 151.0242 is consummated at the location in this state to which the item is shipped or delivered or at which possession is taken by the purchaser.

SECTION 4. Section 323.203(e-1), Tax Code, is amended to read as follows:

(e-1) Except as otherwise provided by Subsection (f), (g), (g-1), (g-2), (g-3), (h), (i), (j), or (k), ~~[or (m)]~~, a sale of a taxable item made by a marketplace seller through a marketplace as provided by Section 151.0242 is consummated at the location in this state to which the item is shipped or delivered or at which possession is taken by the purchaser.

SECTION 5. Sections 151.0047, 151.3501, 321.203(n), and 323.203(m), Tax Code, are repealed.

1 SECTION 6. The changes in law made by this Act do not affect
2 tax liability accruing before the effective date of this Act. That
3 liability continues in effect as if this Act had not been enacted,
4 and the former law is continued in effect for the collection of
5 taxes due and for civil and criminal enforcement of the liability
6 for those taxes.

7 SECTION 7. This Act takes effect September 1, 2025.