

By: Perry

S.B. No. 1211

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from sales and use taxes for certain tangible personal property used in hydraulic fracturing.

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

SECTION 1. Section 151.355, Tax Code, is amended to read as follows:

Sec. 151.355. WATER-RELATED EXEMPTIONS. (a) The following are exempted from taxes imposed by this chapter:

(1) rainwater harvesting equipment or supplies, water recycling and reuse equipment or supplies, or other equipment, services, or supplies used solely to reduce or eliminate water use;

(2) equipment, services, or supplies used solely for desalination of surface water or groundwater;

(3) equipment, services, or supplies used solely for brush control designed to enhance the availability of water;

(4) equipment, services, or supplies used solely for precipitation enhancement;

(5) equipment, services, or supplies used solely to construct or operate a water or wastewater system certified by the Texas Commission on Environmental Quality as a regional system;

(6) equipment, services, or supplies used solely to construct or operate a water supply or wastewater system by a private entity as a public-private partnership as certified by the political subdivision that is a party to the project; and

1 (7) tangible personal property specifically used to
2 process, reuse, or recycle water, other than freshwater,
3 [~~wastewater~~] that will be used in fracturing work performed at an
4 oil or gas well.

5 (b) For the purposes of this section, "freshwater" means
6 water containing less than 1,000 milligrams per liter of total
7 dissolved solids.

8 SECTION 2. Section [151.355](#), Tax Code, as amended by this
9 Act, does not affect tax liability accruing before the effective
10 date of this Act. That liability continues in effect as if this Act
11 had not been enacted, and the former law is continued in effect for
12 the collection of taxes due and for civil and criminal enforcement
13 of the liability for those taxes.

14 SECTION 3. This Act takes effect September 1, 2025.