

BILL ANALYSIS

S.B. 761
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law imposes a sales tax on each retail sale of fireworks at a rate of two percent, in addition to the general state sales tax. There is interest in eliminating the tax, and informed observers suggest that doing so will have a minimal impact in terms of lost revenue and can be achieved in such a way that funds into which revenue from the tax is deposited will be held harmless. S.B. 761 seeks to eliminate the fireworks tax.

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

S.B. 761 repeals Tax Code provisions relating to the fireworks tax.

S.B. 761 amends the Tax Code to require an amount equal to the revenue derived from the collection of taxes at the rate of two percent on each sale at retail of fireworks to be deposited to the credit of the rural volunteer fire department insurance fund. The bill requires the comptroller of public accounts to determine the amount to be deposited according to available statistical data indicating the estimated or actual total receipts in Texas from taxes imposed on sales at retail of fireworks. The bill authorizes the comptroller, if satisfactory data are not available, to require taxpayers who make taxable sales or uses of fireworks to report to the comptroller as necessary to make the required allocation.

S.B. 761 amends the Government Code to make conforming changes.

S.B. 761 repeals Chapter 161, Tax Code.

EFFECTIVE DATE

September 1, 2015.