

BILL ANALYSIS

H.B. 4054
By: Murphy
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties suggest that the Tax Code is currently unclear on which bakery items are exempt from sales and use tax, specifically with regard to a bakery item heated by a consumer. H.B. 4054 seeks to provide clarification and help bakeries collect and remit the appropriate taxes.

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

H.B. 4054 amends the Tax Code to remove as a condition under which a bakery item is included in the sales and use tax exemption for food products for human consumption the condition that the bakery items are sold without plates or other eating utensils. The bill specifies that the exemption includes bakery items regardless of whether the item is heated by the consumer or seller.

EFFECTIVE DATE

September 1, 2017.