

## **BILL ANALYSIS**

S.B. 197  
By: Nelson  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

It has been noted that the sale of animals from nonprofit animal shelters is exempt from the sales and use tax, but that the sale of animals from nonprofit animal welfare organizations does not have the same tax-exempt status. Individuals and families who are willing to open their homes to unwanted animals through pet adoption should not have to pay sales tax on that adoption, and those who work in animal rescue and welfare organizations and are dedicated to finding forever homes for pets should be rightly focused on the care and placement of the animals, not on the collection and paperwork associated with sales tax receipts. S.B. 197 seeks to address this issue and alleviate confusion with regard to which animal adoptions require sales tax collection by exempting animals sold by a nonprofit animal welfare organization from the sales and use 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. 197 amends the Tax Code to exempt the sale of an animal by a nonprofit animal welfare organization, including the acceptance of an adoption fee, from the sales and use tax.

### **EFFECTIVE DATE**

October 1, 2021.