

- SUBJECT:** Technical changes to the administration of state sales and use taxes
- COMMITTEE:** Ways and Means — committee substitute recommended
- VOTE:** 6 ayes — Keffer, Ritter, Otto, Y. Davis, Paxton, Pitts
0 nays
3 absent — Bonnen, Flores, Pena
- WITNESSES:** For — (*Registered, but did not testify:* James LeBas, Texas Oil and Gas Association)
Against — None
On — Bryant Lomax, David Rock, Comptroller's Office
- BACKGROUND:** Under Tax Code, secs. 151.051 and 151.101, the state imposes a 6.25 percent sales and use tax on the price of taxable items sold in Texas or bought elsewhere for consumption in Texas.
- DIGEST:** CSHB 3319 would make technical changes related to the imposition and collection of sales and use taxes.
- The bill would make clarifying changes related to sales tax exemptions for drugs or medicines, seedlings for trees grown for commercial timber, and aircraft.
- The bill would specify that a sale of real property repair and remodeling would be consummated at the location of the job site for taxation purposes.
- County development district sales taxes would be added to the list of taxes to take effect on the first complete calendar quarter after the comptroller received notice of the tax's adoption.
- The bill would repeal laws related to the following:

- allowing the comptroller to hire an outside certified public accountant to perform an audit to determine a taxpayer's sales tax liability;
- requiring a seller to collect from a jurisdiction even if the seller was not in business in the jurisdiction; and
- establishing that sale of a taxable service was consummated at the location at which the service was performed;

The bill would take effect September 1, 2007 and would apply to tax liability accruing on or after that date.