

- SUBJECT:** Exempting non-vehicular fuel cells from sales taxes
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 7 ayes — Keffer, Ritter, Bonnen, Y. Davis, Flores, Paxton, Pitts  
0 nays  
2 absent — Otto, Peña
- WITNESSES:** For — Christine Herbert, Fuel Cells Texas (*Registered, but did not testify*);  
James LeBas, Association of Electric Companies of Texas)  
Against — None
- 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. Aggregate local rates are capped at 2 percent, meaning that combined state and local rates may not exceed 8.25 percent in any locality.
- DIGEST:** HB 646 would exempt fuel cells from sales and use taxes unless the fuel cell was designed to provide motive power to a vehicle. The bill would define “fuel cell” as a device using fuel, oxygen, and a catalyst to generate electricity by electrochemical means.  
  
The bill would take effect September 1, 2007, and would expire January 1, 2015.