

SUBJECT: Exempting items sold by a nonprofit at a county fair from sales tax

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 10 ayes — Burrows, Guillen, Bohac, Cole, Martinez Fischer, Murphy,
Noble, Sanford, Shaheen, Wray

0 nays

1 absent — E. Rodriguez

WITNESSES: For — (*Registered, but did not testify*: Alexie Swirsky)

Against — None

BACKGROUND: Tax Code sec. 151 requires the seller of a taxable item to collect sales and use taxes from the purchaser and remit that money to the comptroller.

Some have suggested that it can be a burden for certain nonprofit organizations selling taxable items at a county fair to collect sales and use taxes from a purchaser and remit that money to the comptroller.

DIGEST: HB 2684 would exempt the sale of a taxable item from a sales and use tax if the seller or retailer was a 501(c)(3) nonprofit organization, the sale took place at a county fair, and the purchaser was a person attending or participating in the fair.

The bill would take effect September 1, 2019.