

BILL ANALYSIS

Senate Research Center

S.B. 817
By: Truan
Economic Development
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As Filed

DIGEST

Currently, a company, other than a maquiladora, that buys a product for export and pays the sales tax at the time of purchase may later receive a refund on proof that the product was actually exported. If, however, that property is used, stored, or consumed in this state before export, the product loses its status as an export and becomes subject to the use tax provisions of the Texas sales and use tax. S.B. 817 provides for the payment of sales and use tax on tangible personal property exported from this state.

PURPOSE

As proposed, S.B. 817 provides for the payment of sales and use tax on tangible personal property exported from this state.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 151.307, Tax Code, by amending Subsection (b) and adding Subsection (e), as follows:

(b) Authorizes proof of export to be shown by a bill of lading issued by a licensed and certificated carrier of persons or property or by a forwarding agent showing certain information.

(e) Provides that a retailer who sells tangible personal property that the retailer exports beyond the territorial limits of the United States is not required to collect tax imposed by this chapter on a sale. Requires the retailer to retain proof of export of the property in accordance with Subsection (a).

SECTION 2. Amends Sections 151.330 (a) and (d), Tax Code, to provide that a delivery by the seller to a forwarding agent for shipment to a location outside this state, rather than in another state of the United States or its territories or possessions, is exempted from sales tax imposed by Subchapter C of this chapter. Requires the seller to maintain certain documents, if, pursuant to Subsection (a)(2) or (a)(3), rather than Subdivision (2) of Subsection (a) of this section, a delivery is made to a carrier or forwarding agent.

SECTION 3. Effective date: October 1, 1997.
Makes application of this Act prospective.

SECTION 4. Emergency clause.