

BILL ANALYSIS

Senate Research Center

H.B. 2371
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Finance
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Engrossed

DIGEST

Currently, Texas law does not exempt diapers from the sales tax. This tax may be burdensome to families. H.B. 2371 would include a diaper other than a diaper purchased, sold, or used by a diaper service, in the list of items exempt from the imposition of limited sales, excise, and use tax.

PURPOSE

As proposed, H.B. 2371 includes a diaper other than a diaper purchased, sold, or used by a diaper service, in the list of items exempt from the imposition of limited sales, excise, and use tax.

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 151.313(a), Tax Code, to provide that certain items are exempt from the taxes imposed by this chapter, including a diaper other than a diaper purchased, sold, or used by a diaper service. Makes a conforming and nonsubstantive change.

SECTION 2. (a) Authorizes the governing body of a local taxing authority that imposes a local sales and use tax to repeal an exemption to that tax authorized by this Act if the governing body finds by an appropriate order, including an ordinance, that the exemption would materially impair the obligation of any contract existing at the time this Act goes into effect and to which the local taxing authority is a party, notwithstanding any other provision of this Act.

(b) Requires the secretary of the local taxing authority adopting an order under this section to send to the comptroller by certified or registered mail a copy of the order.

(c) Effective date for the repeal of the exemption: the first day of the month following the expiration of the calendar quarter occurring after the date on which the comptroller receives a copy of the order.

SECTION 3. Effective date: the first day of the first calendar quarter beginning on or after the date that it may take effect under Section 39, Article III, Texas Constitution. Makes application of this Act prospective.

SECTION 4. Emergency clause.