

## **BILL ANALYSIS**

Senate Research Center

H.B. 2372  
By: Gutierrez (Ellis)  
Finance  
5/13/1999  
Committee Report (Amended)

### **DIGEST**

Currently, purchases of over-the-counter medication are taxed. Many families without insurance often are forced to rely on these over-the-counter medications because they cannot afford to see a doctor. Additionally, many doctors are suggesting using newly available over-the-counter medications rather than prescription medicine. This bill would eliminate sales tax on medication that is labeled with a national drug code issued by the federal Food and Drug Administration and blood glucose monitoring strips.

### **PURPOSE**

As proposed, H.B. 2372 eliminates sales tax on medication that is labeled with a national drug code issued by the federal Food and Drug Administration and blood glucose monitoring strips.

### **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 exempt from taxes imposed by this chapter a drug or medicine, without regard to whether it is prescribed or dispensed by a licensed practitioner of the healing arts, that is labeled with a national drug code issued by the federal Food and Drug Administration, and blood glucose monitoring test strips. Makes conforming changes.

SECTION 2. (a) Effective date: The first day of the first calendar quarter after the 90th day after adjournment.

(b) Makes application of this Act prospective.

SECTION 3. Emergency clause.