

## **BILL ANALYSIS**

Senate Research Center  
82R7671 AJA-D

H.B. 2582  
By: Murphy (Whitmire)  
Business & Commerce  
4/29/2011  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, an in-state small beer producer, also known as microbrewery, is granted a partial exemption from the state beer tax. An out-of-state beer producer is not eligible for this exemption. Courts have recently ruled that an in-state tax exemption violates the United States Constitution by discriminating against out-of-state commerce or imposing differential treatment of in-state and out-of-state economic interests that benefits the former and burdens the latter.

H.B. 2582 repeals the partial tax exemption, not to penalize Texas microbrewers, but to comply with federal rulings and potentially save the state the cost of defending a statute the economic impact of which might not even cover the cost of litigation.

H.B. 2582 amends current law relating to the repeal of the partial tax exemption for certain beer.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Repealer: Section 203.08 (Partial Tax Exemption for Certain Beer), Alcoholic Beverage Code.

SECTION 2. Provides that the change in law made by this Act does not affect tax liability accruing before the effective date of this act. Provides that liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability of those taxes.

SECTION 3. Effective date: September 1, 2011.