

BILL ANALYSIS

Senate Research Center
86R4229 SMT-D

S.B. 457
By: Creighton
Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

BACKGROUND AND PURPOSE

Since 2009, retailers in East and Southeast Texas have been at a competitive disadvantage as it relates to their Louisiana counterparts. Louisiana adopted a sales tax holiday for individual purchases of firearms, ammunition, and hunting supplies during the first full weekend of September. To address this situation, S.B. 457 creates a sales tax holiday for firearms and hunting supplies. Hunting seasons usually begin at the end of August or early September. By placing the Texas sales tax holiday on these items on the last full weekend in August, Texas retailers and hunters would be given an advantage by allowing them to prepare for the season and purchase their supplies prior to the date of the Louisiana sales tax holiday. S.B. 457 establishes an exemption from the sales tax for firearms and hunting supplies for a limited period.

ANALYSIS

S.B. 457 amends Chapter 151, Tax Code, to provide an exemption of firearms and hunting supplies from sales and use taxes for a limited period if the sale takes place beginning with the Saturday of the last full weekend in August and ending with the following Sunday.

S.B. 457 defines "hunting supplies" to include ammunition, archery equipment, hunting blinds and stands, hunting decoys, firearm cleaning supplies, gun cases, gun safes, hunting optics, and hunting safety equipment.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, the bill would take effect September 1, 2019. In the event the bill fails to take immediate effect, the bill provides for a tax exemption period beginning on the Saturday before the first full weekend in September 2019 and ending the following Sunday.

As proposed, S.B. 457 amends current law relating to an exemption from sales and use taxes for firearms and hunting supplies for a limited period.

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. Amends Subchapter H, Chapter 151, Tax Code, by adding Section 151.358, as follows:

Sec. 151.358. FIREARMS AND HUNTING SUPPLIES FOR LIMITED PERIOD. (a)
Defines "hunting supplies" for purposes of this section.

(b) Exempts the sale of a firearm or hunting supplies from the taxes imposed by this chapter (Limited Sales, Excise, and Use Tax) if the sale takes place during a

period beginning at 12:01 a.m. on the Saturday of the last full weekend in August and ending at 11:59 p.m. on the following Sunday.

SECTION 2. (a) Provides that if this Act takes effect September 1, 2019, the exemption provided by Section 151.358 from the taxes imposed by Chapter 151, Tax Code, applies to a sale that takes place during a period beginning at 12:01 a.m. on the Saturday of this first full weekend in September 2019 and ending at 11:59 p.m. on the following Sunday if the sale otherwise meets the requirements of that section.

(b) Provides that if this Act receives the vote necessary for immediate effect as provided by Section 4 of this Act, this section has no effect.

(c) Provides that if this section takes effect, this section expires October 1, 2019.

SECTION 3. Makes application of this Act prospective. Provides that that liability continues in effect as if this Act has not been enacted, and that the former law is continues in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 4. Effective date: upon passage or September 1, 2019.