

BILL ANALYSIS

Senate Research Center
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S.B. 843
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Background

Under current Texas law, retail items purchased on military bases are subject to the same sales tax that civilians pay. Moreover, no matter their branch of service, active service members are eligible to shop tax-free online at military Exchange Services with the same discounts they enjoy on base. In other words, service members can walk right by Texas retail locations and get identical products from identical manufacturers from out of state, delivered right to their door, for the same price, tax-free. Texas cannot and should not penalize its servicemen and women for using the convenience of their workplace.

Bill Purpose

S.B. 843 requires that items sold, leased, or rented at military installations to active duty military personnel be exempt from sales taxes imposed by Chapter 151, Tax Code. This bill will incentivize the use of the on-base infrastructure and retail that our nation and military have invested in. Military service members who are not using public infrastructure, public utilities, or public spaces during the course of their day should not be forced to pay sales taxes that fund them.

As proposed, S.B. 843 amends current law relating to a sales tax exemption for items sold, leased, or rented at a United States military installation to a member of the United States armed forces on active duty.

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 151.345, as follows:

Sec. 151.345. ITEMS SOLD, LEASED, OR RENTED AT MILITARY INSTALLATION TO ACTIVE DUTY MILITARY PERSONNEL. Provides that a taxable item sold, leased, or rented within the boundaries of a United States military installation to a person who is a member of the United States armed forces on active duty is exempt from the sales tax imposed by this chapter if the sale, lease, or rental is made by a seller physically located at the installation.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2019.