

## **BILL ANALYSIS**

Senate Research Center  
87R16887 SRA-F

H.B. 3799  
By: Metcalf et al. (Nichols)  
Finance  
5/6/2021  
Engrossed

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

H.B. 3799 creates a definition of a "county fair association" and clarifies that a taxable item is exempt from taxes if the seller or retailer is a "county fair association" or another nonprofit organization and the sale of the taxable item takes place at a county fair operated by a county fair association on property owned by the county.

H.B. 3799 amends current law relating to the exemption from sales and use taxes for items sold by a nonprofit organization at a county fair.

### **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 Section 151.3102, Tax Code, as follows:

Sec. 151.3102. SALE BY NONPROFIT ORGANIZATION AT COUNTY FAIR. (a) Creates this subsection from existing text. Provides that the sale of a taxable item is exempt from the taxes imposed by Chapter 151 (Limited Sales, Excise, and Use Tax) if the seller or retailer is a county fair association or another nonprofit organization that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization in Section 501(c)(3) of that code, and if the sale takes place at a county fair operated by a county fair association on property owned by the county.

(b) Defines "county fair association" and "livestock."

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: October 1, 2021.