

BILL ANALYSIS

Senate Research Center

S.B. 197
By: Nelson
Finance
5/25/2021
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Statute currently exempts nonprofit animal shelter organizations from collecting sales tax on funds received during the homing of animals. While these organizations with an actual shelter facility are exempt, sales from nonprofit animal welfare organizations without a facility are not tax exempt. Many rescue organizations do not operate a physical shelter building, but rather rely on foster homes for the animals until they are adopted.

S.B. 197 allows nonprofit animal welfare organizations that rely on foster homes rather than facilities to be exempt from collecting sales tax to align with those nonprofits who operate a shelter facility. Whether through facilities or foster homes, the spirit of this law was to exempt rescue organizations from the sales tax.

S.B. 197 amends current law relating to a sales and use tax exemption for animals adopted from or sold by nonprofit animal welfare organizations.

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 151.343, Tax Code, as follows:

Sec. 151.343. New heading: ANIMALS SOLD BY NONPROFIT ANIMAL SHELTERS OR NONPROFIT ANIMAL WELFARE ORGANIZATIONS. Provides that the sale, including the acceptance of a fee for adoption of an animal, by certain entities, including a nonprofit animal welfare organization, as that term is defined by Section 821.021 (Definitions), Health and Safety Code, is exempt from taxes imposed by Chapter 151 (Limited Sales, Excise, and Use Tax).

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, which 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 for those taxes.

SECTION 3. Effective date: October 1, 2021.