

BILL ANALYSIS

H.B. 2684
By: Metcalf
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been suggested that the requirement for certain tax exempt nonprofit organizations to collect sales and use taxes can be a significant burden, especially with regard to organizations that make sales at county fairs where local sales taxes, which vary from jurisdiction to jurisdiction, also have to be considered. H.B. 2684 seeks to address this issue by exempting sales made by certain nonprofits at a county fair from the sales tax.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2684 amends the Tax Code to exempt the sale of a taxable item at a county fair to a person attending or participating in the fair from the sales tax if the seller or retailer is a nonprofit organization that is exempt from federal income taxation by being listed as a tax-exempt charitable organization under the Internal Revenue Code of 1986.

EFFECTIVE DATE

September 1, 2019.