

BILL ANALYSIS

Senate Research Center
80R2967 DAK-D

S.B. 312
By: Wentworth
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current tax law, most beer and wine permittees are required to collect sales tax on the sale of beer and wine. Establishments located in "dry" areas are required to obtain from the Texas Alcoholic Beverage Commission a Beer and Wine Private Club Registration Permit to serve beer and wine to club members for on-premises consumption. Chapter 183 (Mixed Beverage Tax), Tax Code, does not distinguish between private club registration permittees that hold mixed beverage permits and those that hold beer and wine permits, and requires both types of private club permittees to pay a 14 percent gross receipts tax.

As proposed, S.B. 312 exempts Beer and Wine Private Club Registration permittees from the gross receipts tax and requires such permittees to collect and pay a sales tax instead.

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 Chapter 183, Tax Code, by adding Subchapter D, as follows:

SUBCHAPTER D. EXEMPTIONS

Sec. 183.101. EXEMPTION FOR HOLDER OF PRIVATE CLUB BEER AND WINE PERMIT. Exempts from the tax imposed by this chapter (Mixed Beverage Tax) the gross receipts of a permittee that is a holder of a private club beer and wine permit.

SECTION 2. Amends Section 151.308(a), Tax Code, to make conforming changes.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: July 1, 2007, or September 1, 2007.