

BILL ANALYSIS

Senate Research Center
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S.B. 1927
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas has recently experienced a series of large and devastating wildfires. Nonprofit volunteer fire departments are among those battling these fires. These exceptional fires have taxed the financial resources of many departments, who depend on fundraisers and donations for much of their operating revenue.

S.B. 1927 addresses the need for volunteer fire departments to raise additional revenue by increasing the number of tax-exempt fundraisers authorized in the Tax Code from two to 10 events in 2011, 2012, and 2013.

As proposed, S.B. 1927 amends current law relating to the authority of certain volunteer firefighter and emergency services organizations to hold tax-free sales or auctions.

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 151.310, Tax Code, by adding Subsection (c-1), as follows:

(c-1) Authorizes an organization that qualifies for an exemption under Subsection (a)(4) (relating to a company, department, or association for the purpose of answering fire alarms and other related services), notwithstanding Subsection (c) (relating to holding tax free sales or auctions by certain organizations), to hold 10 tax-free sales or auctions during a calendar year. Authorizes each tax-free sale or auction to continue for not more than 72 hours. Provides that the storage, use, or consumption of a taxable item that is acquired from a qualified organization at a tax-free sale or auction and that is exempted under this subsection from the taxes imposed by Subchapter C (Imposition and Collection of Sales Tax) is exempted from the use tax imposed by Subchapter D (Imposition and Collection of Use Tax) until the item is resold or subsequently transferred. Provides that Subsection (d) (relating to joint sales or auctions held by certain organizations) applies to a tax-free sale or auction authorized by this subsection. Provides that this subsection expires September 1, 2014.

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. Provides that that liability 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: upon passage or September 1, 2011.