

BILL ANALYSIS

Senate Research Center
83R1561 DDT-D

S.B. 342
By: Estes
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Water conservation is the most cost-effective way to meet future demands for a limited water supply and effective tax policy can assist in modifying consumer behavior and buying habits. During Memorial Day weekend, Texas shoppers get a break from state and local sales and use taxes on purchases of certain energy efficient products. Qualifying products display the ENERGY STAR® logo, and therefore meet strict energy efficiency guidelines set by the United States Department of Energy and the United States Environmental Protection Agency (EPA).

WaterSense, an EPA water conservation program, provides similar logos for water efficient products such as toilets and urinals, showerheads, irrigation controllers, and sink faucets. Products that have earned the WaterSense® label have been certified to be at least 20 percent more efficient without sacrificing performance.

This legislation expands the Texas ENERGY STAR® sales tax holiday to include WaterSense® labeled products.

As proposed, S.B. 342 amends current law relating to exemption from the sales tax for certain water efficient products for a limited period.

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 Subchapter H, Chapter 151, Tax Code, by adding Section 151.3335, as follows:

Sec. 151.3335. WATER EFFICIENT PRODUCTS. (a) Defines "WaterSense product."

(b) Provides that the sale of a WaterSense product is exempted from the sales taxes imposed by this chapter if the sale takes place during the period described by Section 151.333(c) (relating to the exemption of energy-efficient products during a certain period of time).

SECTION 2. Effective date: July 1, 2013, or October 1, 2013.