

BILL ANALYSIS

Senate Research Center
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H.B. 633
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Certain medical devices and supplies are currently exempted from the sales and use tax when purchased for use by a medical practice but not when they are purchased for use by a veterinary clinic, despite both entities not being required to charge sales and use tax for their services. H.B. 633 seeks to create uniformity in the tax structure as it relates to the sales and use tax exemption for certain health care supplies.

H.B. 633 amends current law relating to a sales and use tax exemption for certain health care supplies.

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 Sections 151.313(a), (c), and (e), Tax Code, as follows:

(a) Provides that the following items are exempted from the taxes imposed by this chapter:

(1) a drug or medicine, other than insulin, if prescribed or dispensed for a human or animal by a licensed practitioner of the healing arts, including a veterinarian;

(2)-(5) Makes no change to these subdivisions;

(6) a therapeutic appliance, device, and any related supplies specifically designed for those products, if dispensed or prescribed for a human or animal by a licensed practitioner of the healing arts, including a veterinarian, when those items are purchased and used by:

(A) an individual for whom the items listed in this subdivision were dispensed or prescribed; or

(B) an owner or caretaker of an animal for which the items listed in this subdivision were dispensed or prescribed;

(7)-(12) Makes no change to these subdivisions;

(13) an adjustable eating utensil used to facilitate independent eating if purchased for use by a person, including a person who is elderly, rather than who is a person who is elderly or physically disabled, has a physical disability, has had a stroke, or is a burn victim, who does not have full use or control of the person's hands or arms;

(14) Makes no change to this subdivision; and

(15) intravenous systems, supplies, and replacement parts designed or intended to be used in the diagnosis or treatment of humans or animals.

(c) Provides that a product is a drug or medicine for purposes of this section if the product:

(1) Makes no change to this subdivision;

(2) is:

(A) applied to the human body or is a product that a human ingests or inhales; or

(B) prescribed or dispensed by a veterinarian and is applied to the body of an animal or is a product that an animal is intended to ingest or inhale;

(3) and (4) Makes no change to these subdivisions.

(e) Provides that a product is an intravenous system for purposes of this section if, regardless of whether the product is designed or intended to be inserted subcutaneously into any part of a human's or animal's body, rather than any part of the body, the product is designed or intended to be used to administer fluids, electrolytes, blood and blood products, or drugs, rather than drugs to patients, or to withdraw blood or fluids, rather than withdraw blood or fluids from patients. Provides that the term includes access ports, adapters, bags and bottles, cannulae, cassettes, catheters, clamps, connectors, drip chambers, extension sets, filters, in-line ports, luer locks, needles, poles, pumps and batteries, spikes, tubing, valves, volumetric chambers, and items designed or intended to connect qualifying products to one another or secure qualifying products to a patient who is a human or animal.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2015.