

Amend CSSB 1 (house committee printing) by adding the following appropriately numbered ARTICLES to the bill and renumbering subsequent ARTICLES and SECTIONS of the bill accordingly:

ARTICLE _____. PURCHASES BY EXEMPT ORGANIZATIONS

DESCRIBED IN SECTION 151.310(a)(1) AND (a)(2), TAX CODE.

SECTION 1. Section 151.006, Tax Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) Notwithstanding Section 151.310(c-2), an organization that qualifies for exemption under Section 151.310(a)(1) or (a)(2) may issue a resale certificate to a seller when acquiring a taxable item to be sold by the organization as part of a fundraising drive if the organization:

(1) acquires the taxable item for the purpose of reselling it at a tax-free sale or auction authorized by Section 151.310(c) or at a sale that is not tax-free;

(2) is identified on an invoice or receipt as the purchaser of the taxable item;

(3) pays a wholesale price stated on an invoice or receipt for the taxable item;

(4) bears the risk of loss with respect to the taxable item after the purchase; and

(5) is not contractually obligated to resell the taxable item at a price established by the person from whom the organization obtains the taxable item.

(d) An organization does not fail to meet the requirements of Subsection (c) solely because the organization:

(1) returns a taxable item to the person from whom the item was purchased in exchange for a refund of the purchase price;
or

(2) resells a taxable item at a price suggested or recommended by the person from whom the item was purchased.

SECTION 2. Section 151.310, Tax Code, is amended by adding Subsections (c-2) and (c-3) to read as follows:

(c-2) For purposes of Subsection (c) of this section, an organization that qualifies for an exemption under Subsection (a)(1) or (a)(2) of this section may issue an exemption certificate

to a seller when obtaining taxable items to be sold by the organization during a tax-free sale authorized under Subsection (c).

(c-3) The exemption in Subsection (c) of this section does not apply to the sale of a taxable item promoted by an organization described in Subsection (a)(1) or (a)(2) if the organization is acting as the agent of the person for whom the organization promotes the taxable item as provided under Section 151.024. Notwithstanding 151.024, an organization is not acting as an agent for purposes of this subsection if the organization purchases the taxable item in a transaction that qualifies as a sale for resale under Section 151.006(c).

SECTION 3. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2011.

(2) Renumber ARTICLES of the bill appropriately.