

AN ACT

relating to sales and use tax treatment of certain snack items.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 151.314, Tax Code, is amended by amending Subsection (b) and adding Subsections (b-1) and (h) to read as follows:

(b) "Food products" shall include, except as otherwise provided herein, but shall not be limited to cereals and cereal products; milk and milk products, including ice cream; oleomargarine; meat and meat products; poultry and poultry products; fish and fish products; eggs and egg products; vegetables and vegetable products; fruit and fruit products; spices, condiments, and salt; sugar and sugar products; coffee and coffee substitutes; tea; cocoa products; snack items; or any combination of the above.

(b-1) For purposes of this section, "snack items" includes:

(1) breakfast bars, granola bars, nutrition bars, sports bars, protein bars, or yogurt bars, unless labeled and marketed as candy;

(2) snack mix or trail mix;

(3) nuts, unless candy-coated;

(4) popcorn; and

(5) chips, crackers, or hard pretzels.

(h) The exemption provided by Subsection (a) does not apply

1 to a snack item if the item is sold through a vending machine or is
2 sold in individual-sized portions. For purposes of this
3 subsection, an individual-sized portion is a portion that:

- 4 (1) is labeled as having not more than one serving; or
5 (2) contains less than 2.5 ounces, if the package does
6 not specify the number of servings.

7 SECTION 2. The change in law made by this Act does not
8 affect tax liability accruing before the effective date of this
9 Act. That liability continues in effect as if this Act had not been
10 enacted, and the former law is continued in effect for the
11 collection of taxes due and for civil and criminal enforcement of
12 the liability for those taxes.

13 SECTION 3. This Act takes effect September 1, 2013.

S.B. No. 1151

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1151 passed the Senate on April 30, 2013, by the following vote: Yeas 25, Nays 6.

Secretary of the Senate

I hereby certify that S.B. No. 1151 passed the House on May 17, 2013, by the following vote: Yeas 134, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor