

1-1 By: Bonnen of Brazoria (Senate Sponsor - Hinojosa) H.B. No. 3484
 1-2 (In the Senate - Received from the House May 18, 2015;
 1-3 May 18, 2015, read first time and referred to Committee on Finance;
 1-4 May 22, 2015, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 11, Nays 1, one present not
 1-6 voting; May 22, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14			X	
1-15				X
1-16		X		
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			

1-24 COMMITTEE SUBSTITUTE FOR H.B. No. 3484 By: Hinojosa

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to the application of sales and use taxes to certain food
 1-28 items.

1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-30 SECTION 1. Section 151.314, Tax Code, is amended by
 1-31 amending Subsections (b-1), (c-2), and (h) and adding Subsection
 1-32 (c-4) to read as follows:

1-33 (b-1) For purposes of this section, "snack items" means
 1-34 ~~[includes]~~:

1-35 (1) breakfast bars, granola bars, nutrition bars,
 1-36 sports bars, protein bars, or yogurt bars, unless labeled and
 1-37 marketed as candy;

1-38 (2) snack mix or trail mix;

1-39 (3) nuts, but not including pine nuts or ~~[unless]~~
 1-40 candy-coated nuts;

1-41 (4) popcorn; ~~[and]~~

1-42 (5) chips, crackers, ~~[or]~~ hard pretzels, pork rinds,
 1-43 or corn nuts;

1-44 (6) sunflower seeds or pumpkin seeds;

1-45 (7) ice cream, sherbet, or frozen yogurt; and

1-46 (8) ice pops, juice pops, sorbet, or other frozen
 1-47 fruit items containing not more than 50 percent fruit juice by
 1-48 volume.

1-49 (c-2) The exemption provided by Subsection (a) does not
 1-50 include the following prepared food:

1-51 (1) food, food products, and drinks, including meals,
 1-52 milk and milk products, fruit and fruit products, sandwiches,
 1-53 salads, processed meats and seafoods, vegetable juice, and ice
 1-54 cream in cones or small cups, served, prepared, or sold ready for
 1-55 immediate consumption ~~[in or]~~ by restaurants, lunch counters,
 1-56 cafeterias, delis, vending machines, hotels, or like places of
 1-57 business or sold ready for immediate consumption from pushcarts,
 1-58 motor vehicles, or any other form of vehicle;

1-59 (2) food sold in a heated state or heated by the
 1-60 seller; or

2-1 (3) two or more food ingredients mixed or combined by
2-2 the seller for sale as a single item, including items that are sold
2-3 in an unheated state by weight or volume as a single item, but not
2-4 including food that is only cut, repackaged, or pasteurized by the
2-5 seller.

2-6 (c-4) For purposes of Subdivision (c-2)(1), if a grocery
2-7 store or convenience store contains a type of location listed in
2-8 that subdivision, the store is considered a like place of business
2-9 for purposes of that subdivision, but only in relation to items sold
2-10 at that location.

2-11 (h) The exemption provided by Subsection (a) does not apply
2-12 to a snack item if the item is sold through a vending machine or is
2-13 sold in individual-sized portions. For purposes of this
2-14 subsection, an individual-sized portion is a portion that:

- 2-15 (1) is labeled as having not more than one serving; or
- 2-16 (2) contains less than 2.5 ounces~~[, if the package~~
2-17 ~~does not specify the number of servings]~~.

2-18 SECTION 2. The change in law made by this Act does not
2-19 affect tax liability accruing before the effective date of this
2-20 Act. That liability continues in effect as if this Act had not been
2-21 enacted, and the former law is continued in effect for the
2-22 collection of taxes due and for civil and criminal enforcement of
2-23 the liability for those taxes.

2-24 SECTION 3. This Act takes effect September 1, 2015.

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