

1-1 By: Taylor of Collin S.B. No. 755
 1-2 (In the Senate - Filed February 25, 2015; February 25, 2015,
 1-3 read first time and referred to Committee on Finance;
 1-4 April 29, 2015, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 13, Nays 0; April 29, 2015,
 1-6 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 S.B. No. 755 By: Schwertner

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

1-27 relating to the application of the sales and use tax to certain
 1-28 computer program transactions.

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

1-30 SECTION 1. Section 151.006, Tax Code, is amended by adding
 1-31 Subsection (d) to read as follows:

1-32 (d) A sale for resale includes the sale of a computer
 1-33 program to a provider of Internet hosting who acquires the computer
 1-34 program from an unrelated vendor for the purpose of selling the
 1-35 right to use the computer program to an unrelated user of the
 1-36 provider's Internet hosting services in the normal course of
 1-37 business and in the form or condition in which the provider acquired
 1-38 the computer program. For purposes of this subsection, the
 1-39 purchase of the computer program by the provider qualifies as a sale
 1-40 for resale only if the provider offers the unrelated user a
 1-41 selection of computer programs that are available to the public for
 1-42 purchase directly from an unrelated vendor and executes a written
 1-43 contract with the unrelated user that specifies the name of the
 1-44 computer program sold to the unrelated user and includes a charge to
 1-45 the unrelated user for computing hardware. This subsection
 1-46 applies, notwithstanding Section 151.302(b), if the unrelated user
 1-47 purchases the right to use the computer program from the provider
 1-48 through the acquisition of a license and the provider does not
 1-49 retain the right to use the computer program under that license.
 1-50 The performance by the provider of routine maintenance of the
 1-51 computer program that is recommended or required by the unrelated
 1-52 vendor of the computer program does not affect the application of
 1-53 this subsection. In this subsection, "Internet hosting" has the
 1-54 meaning assigned by Section 151.108(a).

1-55 SECTION 2. The changes in law made by this Act do not affect
 1-56 tax liability accruing before the effective date of this Act. That
 1-57 liability continues in effect as if this Act had not been enacted,
 1-58 and the former law is continued in effect for the collection of
 1-59 taxes due and for civil and criminal enforcement of the liability
 1-60 for those taxes.

2-1 SECTION 3. This Act takes effect immediately if it receives
2-2 a vote of two-thirds of all the members elected to each house, as
2-3 provided by Section 39, Article III, Texas Constitution. If this
2-4 Act does not receive the vote necessary for immediate effect, this
2-5 Act takes effect September 1, 2015.

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