

1-1 By: Hinojosa of Nueces S.B. No. 2774
1-2 (In the Senate - Filed March 14, 2025; April 3, 2025, read
1-3 first time and referred to Committee on Finance; April 16, 2025,
1-4 reported favorably by the following vote: Yeas 14, Nays 0;
1-5 April 16, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7		Yea	Nay	Absent	PNV
1-8	Huffman	X			
1-9	Hinojosa of Hidalgo	X			
1-10	Alvarado	X			
1-11	Bettencourt	X			
1-12	Campbell	X			
1-13	Creighton	X			
1-14	Flores	X			
1-15	Hall	X			
1-16	Kolkhorst			X	
1-17	Nichols	X			
1-18	Paxton	X			
1-19	Perry	X			
1-20	Schwertner	X			
1-21	West	X			
1-22	Zaffirini	X			

1-23 A BILL TO BE ENTITLED
1-24 AN ACT

1-25 relating to the classification of certain entities as primarily
1-26 engaged in retail trade for purposes of the franchise tax.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Section [171.0001](#)(12), Tax Code, is amended to
1-29 read as follows:

1-30 (12) "Retail trade" means:

1-31 (A) the activities described in Division G of the
1-32 1987 Standard Industrial Classification Manual published by the
1-33 federal Office of Management and Budget;

1-34 (B) apparel rental activities classified as
1-35 Industry 5999 or 7299 of the 1987 Standard Industrial
1-36 Classification Manual published by the federal Office of Management
1-37 and Budget;

1-38 (C) the activities classified as Industry Group
1-39 753 of the 1987 Standard Industrial Classification Manual published
1-40 by the federal Office of Management and Budget;

1-41 (D) rental-purchase agreement activities
1-42 regulated by Chapter [92](#), Business & Commerce Code;

1-43 (E) activities involving the rental or leasing of
1-44 tools, party and event supplies, and furniture that are classified
1-45 as Industry 7359 of the 1987 Standard Industrial Classification
1-46 Manual published by the federal Office of Management and Budget;
1-47 ~~and~~

1-48 (F) heavy construction equipment rental or
1-49 leasing activities classified as Industry 7353 of the 1987 Standard
1-50 Industrial Classification Manual published by the federal Office of
1-51 Management and Budget; and

1-52 (G) activities involving the rental of
1-53 industrial uniforms, industrial garments, and industrial linen
1-54 supplies that are classified as Industry 7213 or 7218 of the 1987
1-55 Standard Industrial Classification Manual published by the federal
1-56 Office of Management and Budget.

1-57 SECTION 2. This Act applies only to a report originally due
1-58 on or after the effective date of this Act.

1-59 SECTION 3. This Act takes effect January 1, 2027.

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