

CHAPTER 235

S.B. No. 1409

An Act relating to international trade and the exemption from sales tax of certain tangible personal property, to proof required under the Sales Tax Act to show that items have been exported outside the territorial limits of the United States, and to the World Trade Council; amending Section 151.307 and Subsection (a), Section 151.330, and adding Subsection (g) to Section 151.330, Tax Code; amending Subsection (a), Section 4, H.B. 809, Acts of the 69th Legislature, Regular Session, 1985.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 151.307, Tax Code, is amended to read as follows:

“Section 151.307. **EXEMPTIONS REQUIRED BY PREVAILING LAW.** (a) Tangible personal property or service that this state is prohibited from taxing by the law of the United States, the United States Constitution, or the Constitution of Texas is exempted from the taxes imposed by this chapter.

“(b) *When an exemption is claimed because tangible personal property is exported beyond the territorial limits of the United States, proof of export may be shown only by:*

“(1) *a bill of lading issued by a licensed and certificated carrier of persons or property showing the seller as consignor, the buyer as consignee, and a delivery point outside the territorial limits of the United States;*

“(2) *documentation provided by a licensed United States Customs Broker certifying that delivery was made to a point outside the territorial limits of the United States;*

“(3) *import documents from the country of destination showing that the property was imported into a country other than the United States; or*

“(4) *an original airway, ocean, or railroad bill of lading and a forwarder's receipt if an air, ocean, or rail freight forwarder takes possession of the property.*”

SECTION 2. Subsection (a), Section 151.330, Tax Code, is amended to read as follows:

“(a) the sale of tangible personal property that under the sales contract is shipped to a point outside this state is exempted from the sales tax imposed by Subchapter C of this chapter if the shipment is made by the seller by means of:

“(1) the facilities of the seller;

“(2) delivery by the seller to a carrier for shipment to a consignee at a point outside this state; or

“(3) delivery by the seller to a ~~customs broker or~~ forwarding agent for shipment to a location in another state of the United States or its territories or possessions ~~[outside this state].~~”

SECTION 3. Section 151.330, Tax Code, is amended by adding a new Subsection (g) to read as follows:

“(g) *If, pursuant to Subdivision (2) of Subsection (a) of this section a delivery is made to a carrier for shipment to a location outside the United States, then the seller must maintain the same documents required by Subsection (b) of Section 151.307 of this chapter.*”

SECTION 4. Subsection (a), Section 4, Texas World Trade Development Act, as enacted by H.B. 809, Acts of the 69th Legislature, Regular Session, 1985, is amended to read as follows:

“(a) The Texas World Trade Council is created. The council is composed of the commissioner of agriculture, the chairman of the Texas Economic Development Commission, the chairman of the Texas Tourist Development Agency, ~~the chairman of the Texas Coastal and Marine Council,~~ and 12 ~~[11]~~ members appointed by the governor with the advice and consent of the senate. Of the governor's appointees, one must be the owner or manager of a small business who has experience in exporting, two must be representatives of institutions of higher education having programs of education in international business, ~~seven [six]~~ must be persons of recognized

ability and experience in an aspect of international commerce, such as trade, transportation, law, finance, agriculture, manufacturing, real estate, labor, maritime business, or port, airport, or trade zone management, one must be the chairman of the North Texas District Export Council of the United States Department of Commerce, and one must be the chairman of the South Texas District Export Council of the United States Department of Commerce. In making the appointments the governor shall ensure that all regions of the state are represented. A member not appointed to the council by the governor may designate a person to represent the member in council business."

SECTION 5. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on May 9, 1985, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 27, 1985, by a viva-voce vote; passed the House, with amendment, on May 23, 1985, by the following vote: Yeas 137, Nays 0, one present not voting.

Approved: June 3, 1985

Effective: August 26, 1985