

CHAPTER 719

S.B. No. 906

AN ACT

relating to exempting states that border Texas and the governmental units of those states from the state sales and use tax.

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

SECTION 1. Section 151.309, Tax Code, is amended to read as follows:

Sec. 151.309. GOVERNMENTAL ENTITIES. A taxable item sold, leased, or rented to, or stored, used, or consumed by, any of the following governmental entities is exempted from the taxes imposed by this chapter:

- (1) the United States;
- (2) an unincorporated instrumentality of the United States;
- (3) a corporation that is an agency or instrumentality of the United States and is wholly owned by the United States or by another corporation wholly owned by the United States;
- (4) this state; [~~or~~]

(5) a county, city, special district, or other political subdivision of this state; *or*

(6) *a state, or a governmental unit of a state that borders this state, but only to the extent that the other state or governmental unit exempts or does not impose a tax on similar sales of items to this state or a political subdivision of this state.*

SECTION 2. (a) This Act takes effect on the first day of the first calendar quarter beginning on or after the date that it may take effect under Article III, Section 39, of the Texas Constitution.

(b) The change in law made by this Act does not affect taxes imposed before the effective date of this Act, and the law in effect before the effective date of this Act is continued in effect for purposes of the liability for and collection of those taxes.

SECTION 3. 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, and that this Act take effect and be in force according to its terms, and it is so enacted.

Passed the Senate on May 5, 1993: Yeas 30, Nays 0; passed the House on May 26, 1993: Yeas 144, Nays 0, two present not voting.

Approved June 16, 1993.

Effective July 1, 1993.