

CHAPTER 411

H.B. No. 2329

AN ACT

relating to the application of sales and use taxes to certain use, consumption, or loss of electricity.

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

SECTION 1. Section 151.317(c)(2), Tax Code, is amended to read as follows:

(2) "Commercial use" means use by a person engaged in selling, warehousing, or distributing a commodity or a professional or personal service, but does not include:

(A) use by a person engaged in:

(i) ~~[(A)]~~ processing tangible personal property for sale as tangible personal property;

(ii) ~~[(B)]~~ exploring for, or producing and transporting, a material extracted from the earth;

(iii) ~~[(C)]~~ agriculture, including dairy or poultry operations and pumping for farm or ranch irrigation; or

(iv) ~~[(D)]~~ electrical processes such as electroplating, electrolysis, and cathodic protection; or

(B) *a direct or indirect use, consumption, or loss of electricity by an electric utility engaged in the purchase of electricity for resale.*

SECTION 2. This Act takes effect October 1, 1987.

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.

Passed by the House on April 28, 1987, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 2329 on May 25, 1987, by a non-record vote. Passed by the Senate, with amendments, on May 22, 1987, by a viva-voce vote.

Approved June 17, 1987.

Effective Oct. 1, 1987.