

CHAPTER 1116

S.B. No. 1292

AN ACT

relating to exempting certain items purchased with food stamps from sales and use taxes.

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

SECTION 1. Subchapter H, Chapter 151, Tax Code, as amended, is amended by adding Section 151.3141 to read as follows:

*Sec. 151.3141. FOOD STAMP PURCHASES. (a) Items purchased in whole or in part with food coupons issued under the food stamp program from a business approved for participation in the food stamp program are exempted from the taxes imposed by this chapter. The exemption applies only to items permitted by law to be purchased with food coupons under the food stamp program. If two or more items are purchased together and paid for with a combination of food stamps and other means of payment, for purposes of this section the food stamps are applied first to the purchase of items that would be taxable under this chapter in the absence of the exemption provided by this section.*

*(b) For purposes of this section, "food stamp program" means the program operated under 7 U.S.C. Chapter 51.*

*(c) This section and Subsection (e) of Section 151.412 of this code expire on the first day of the next calendar quarter after the comptroller certifies and publishes in the Texas Register notice of the certification that federal law no longer prohibits a state from participating in the food stamp program if the secretary of the United States Department of Agriculture determines that state or local sales taxes are collected on items purchased with food coupons issued under the food stamp program or that for any other reason the exemption provided by this section is no longer required for this state to participate in the food stamp program. The comptroller shall make a certification under this subsection if information sufficient to make the determination becomes known to the comptroller.*

SECTION 2. Section 151.412, Tax Code, is amended by adding Subsection (e) to read as follows:

*(e) Under procedures adopted by and with the consent of the comptroller, a seller eligible to determine its total taxable receipts under this section may add to the amount provided by Subdivision (2) of Subsection (a) of this section an additional amount that represents that portion of the amount of all invoices for merchandise sold to the seller during the preceding calendar or fiscal year that was not considered exempt merchandise for purposes of Subdivision (1) of Subsection (a) of this section but that became exempt under Section 151.3141 of this code when sold.*

SECTION 3. (a) Except as provided by Subsection (b) of this section:

- (1) Sections 1 and 2 of this Act take effect October 1, 1987; and
- (2) the other sections of this Act take effect September 1, 1987.

(b) Sections 1 and 2 of this Act have no effect and this Act expires, if during the month of September 1987, the comptroller of public accounts certifies and publishes in the Texas Register notice of the certification that for any reason the exemption provided by Section 151.3141, Tax Code, as added by this Act, is not required for this state to participate in the federal food stamp program. The comptroller shall make a certification under this subsection if information sufficient to make the determination becomes known to the comptroller.

SECTION 4. 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 April 24, 1987, by a viva-voce vote; and that the Senate concurred in House amendments on May 20, 1987, by a viva-voce vote. Passed the House, with amendments, on May 15, 1987, by a non-record vote.

Approved June 19, 1987.

Effective Sept. 1, 1987, except §§ 1, 2 effective Oct. 1, 1987.