

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. Box 13528 • AUSTIN, TX 78711-3528



October 3, 2007

Dear Taxpayer:

This year, the 80th Texas Legislature passed House Bill 1751 to impose a fee on sexually oriented businesses that provide live nude entertainment or live nude performances and that authorize on-premises consumption of alcoholic beverages, regardless of whether the business is required to hold a license or permit under the Alcoholic Beverages Code.

Beginning January 1, 2008, this fee is imposed on a sexually oriented business in the amount of \$5 for each entry by each customer admitted to the business. The business has the discretion to determine how it will derive the money to pay the fee. All door and cover charges, including reimbursement of the sexually oriented business fee from customers, are subject to sales tax.

A sexually oriented business must file a report and remit payment of the fee by the 20th day of the month following each calendar quarter. The first report due date under this new law will be April 21, 2008.

Please complete the enclosed [questionnaire](#) to help us determine whether your business meets the criteria to be registered to remit the sexually oriented business fee. To ensure that your business is timely registered to remit the fee (or to reflect your business is not subject to the fee), the completed questionnaire must be returned to the Texas Comptroller of Public Accounts at the address above by November 1, 2007.

If you have any further questions regarding the sexually oriented business fee, please contact us by e-mail at tax.help@cpa.state.tx.us or call us toll-free at (800) 252-5555, or at (512) 463-4600 in Austin.

Sincerely,

A handwritten signature in black ink that reads "Bryant K. Lomax".

Bryant K. Lomax
Manager, Tax Policy Division

Enclosure