



RYAN GUILLEN
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TEXAS STATE REPRESENTATIVE

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GUILLEN TO END DOUBLE TAXATION FOR CATERERS

HB 1164 – Cuts Taxes to Promote New Business Growth

AUSTIN - State Representative Ryan Guillen (D—Rural South Texas) has filed HB 1164, a bill to extend the sales tax exemption to purchases of equipment used for leasing or renting, like tables and chairs, for businesses like caterers who collect sales taxes on the food and services they provide.

"Currently, a sale for resale tax exemption is limited to purchasers who buy tangible property or taxable service with the intent of reselling it," said Guillen. "Why should a caterer, who leases or rents equipment with the intent to produce and sell a taxable product, be excluded from this?"

Despite the growing market for services like catering, the Texas Tax Code has yet to fairly accommodate this industry. In other industries a sale for resale is considered exempt from sales taxes, but a caterer's purchase of an item used to then sell catered goods is not considered a sale for resale. Effectively, this creates a "double taxation," placing a large financial burden on caterers on both ends of their business.

Representative Guillen's bill would end this double taxing by giving catering companies the ability to file certificates of resale for their reusable items, effectively preventing businesses and their consumers from paying the sales tax twice.

"This double taxation is a very tangible barrier to aspiring entrepreneurs in our state" said Guillen. "We must work to promote business growth in every area and every industry that we can."

Representative Ryan Guillen serves ten rural South Texas counties in the Texas House of Representatives, including Atascosa, Brooks, Duval, Jim Hogg, Kenedy, La Salle, Live Oak, McMullen, Starr, and Willacy.

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