



2023-2024 General Assembly

HOUSE BILL 259: 2023 Appropriations Act, Sec. 42.14: Expand Sales Tax Exemption for Fuel and Consumables Used by Boats Transporting Freight on Inland and Intracoastal Waterways

Committee:
Introduced by:
Analysis of: Sec. 42.14 of S.L. 2023-134

Date: November 29, 2023
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Staff Attorney

OVERVIEW: Section 42.14 of S.L. 2023-134 expands the exemption on fuels and consumables used by boats engaged in the transportation of freight on the ocean to also include transport in intracoastal waterways, sounds, or rivers. The current exemption is limited only to oceangoing vessels on the high seas.

This section became effective for sales occurring on or after November 1, 2023.

CURRENT LAW: Under current law, sales of fuel and other tangible personal property for use or consumption by or on oceangoing vessels that "ply the high seas" in interstate or foreign commerce in the transport of freight or passengers for hire exclusively, when delivered to an officer or agent of the vessel for the use of the vessel, are exempt from sales and use tax. Those same items are not exempt when delivered to officers, agents, crew members, or passengers for their personal use.

BILL ANALYSIS: This section expands the exemption to include those same items for use on vessels engaged in the transportation of freight in intrastate, interstate, or foreign commerce when in the intracoastal waterways, sounds, or rivers.

EFFECTIVE DATE: This section became effective for sales occurring on or after November 1, 2023.

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