

**Hall of the House of Representatives**  
85th General Assembly - Regular Session, 2005  
**Amendment Form**

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**Subtitle of House Bill No. 1589**

"TO PROVIDE THAT ELECTRICITY PURCHASED FOR USE AS A RAW MATERIAL IN A  
CHLOR-ALKALI MANUFACTURING PROCESS IS EXEMPT FROM SALES AND USE  
TAX."

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**Amendment No. 1 to House Bill No. 1589.**

Amend House Bill No. 1589 as originally introduced:

Page 1, delete line 9 and substitute:

"AN ACT TO CLARIFY THAT ELECTRICITY PURCHASED FOR"

AND

Page 1, delete line 15 and substitute:

"TO CLARIFY THAT ELECTRICITY PURCHASED"

AND

Page 1, immediately following Section 1, add the following:

SECTION 2. Legislative intent.

(a) The General Assembly finds that existing law exempts from sales and use tax certain raw materials sold for use in manufacturing; that the chlor-alkali process used by chemical manufacturers combines salt, water, and electricity to product chlorine, sodium hydroxide, and other chemicals; and that electricity is a necessary ingredient in the chlor-alkali manufacturing process and should be treated as a raw material for sales and use tax purposes.

(b) The purpose of this act is to clarify the General Assembly's intent that electricity used as a raw material in the chlor-alkali process is exempt from sales and use tax as a raw material.



The Amendment was read \_\_\_\_\_

By: Representative Mahony  
BBC/BBC - 02-16-2005 09:04  
BBC195

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Chief Clerk