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Contact: Kari Owen
972-687-8688
kowen@tscpa.net

**TEXAS LEGISLATURE PASSES BILL PROVIDING LIMITED INSURANCE
SERVICES TAX EXEMPTION FOR LICENSED CPA FIRMS**

SB 1083 provides a “de Minimis” sales tax exemption for CPA firms in Texas

DALLAS (May 24, 2017) —The Texas Legislature passed SB 1083 on May 9, creating a *de Minimis* exemption for a CPA firm whose work for a client may unintentionally stray into the state’s broad definitions of “insurance services.” Texas Society of CPAs (TSCPA) Managing Director of Governmental Affairs, John Sharbaugh, testified on behalf of the bill that was supported by TSCPA. The bill was signed by Governor Greg Abbott on May 22, and will go into effect on Jan. 1, 2018.

SB 1083 addresses the murky sales tax issue that arose in 2015 when the comptroller performed a routine audit and determined that a Texas CPA firm conducted insurance services and owed back sales tax. TSCPA worked with the comptroller’s office to create a *de Minimis* exemption for a CPA firm whose work for a client may unintentionally stray into the state’s broad definitions of “insurance services.”

SB 1083 states that insurance services do not include a service performed by:

- A CPA firm as defined by the Texas Public Accountancy Act; and
- If less than one percent of the firm's revenue in the calendar year is from services in this state that would otherwise constitute insurance service.

“The passage of SB 1083 is a win for Texas CPAs and the TSCPA governmental affairs volunteers who worked so hard to lobby for this important issue,” said Sharbaugh. “It’s important for CPA firms to have some protection in the event they inadvertently perform insurance services, as defined by the Texas Comptroller, as part of their work for their clients, and this bill accomplishes that by providing a limited safeguard for CPAs.”



ABOUT TSCPA

The [Texas Society of CPAs](#) is a nonprofit, voluntary, professional organization representing Texas CPAs. The society has 20 local chapters statewide and more than 27,000 members, one of the largest in-state memberships of any state CPA society in the United States. TSCPA is committed to serving the public interest with programs that advance the highest standards of ethics and practice within the CPA profession.