



**OFFICE OF THE ATTORNEY GENERAL OF TEXAS
AUSTIN**

**GERALD C. MANN
ATTORNEY GENERAL**

Honorable Geo. K. Sheppard
Comptroller of Public Accounts
Austin, Texas

Dear Sir:

Opinion No. 0-3999

Re: Whether a person selling
cotton for others, making
a uniform charge per bale,
is liable for occupation
tax.

In your letter of May 7, 1942, you set forth
Article 7047, Subd. 8, Vernon's Annotated Civil Statutes,
and request our opinion in response to this question:

"Is a person, firm, association of
persons, or a corporation, following the
business or occupation of negotiating
purchases for sales of bales of cotton,
for others, and receiving a flat service
charge for each bale handled, regardless
of the value of each bale of cotton, sub-
ject to the tax as levied by the above
quoted Act?"

Subdivisions 7 and 8 of Article 7047, as they
now read, were enacted in House Bill 251, Ch. 212, p. 355,
Acts 1931, and read:

"Brokers. - Stocks and Bonds. - From
every person, firm, association of persons,
or corporations, dealing in bonds, and/or
stocks, either exclusively or in connection
with other business, the sum of Fifty Dollars

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(**\$50.00**) for each town or city in which such person, firm, association or corporation maintains an office. For the purpose of this Act, every person, firm, association of persons, or corporation whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coin, money, bank notes, promissory notes, produce or merchandise, or anything else for sale, for others, shall be regarded as a broker.

"Brokers - Cotton and Cotton Factors.- From every person, firm, association of persons, or corporation following the business or occupation of a cotton broker and/or cotton factor, an annual tax of Fifteen Dollars (**\$15.00**) in all towns or cities whose population does not exceed twenty-five thousand (**25,000**) inhabitants; and in all cities whose population exceeds twenty-five thousand (**25,000**) inhabitants, an annual tax of Twenty-five Dollars (**\$25.00**)."

Nothing in the statutes limits the tax to one who sells the cotton on strictly a commission basis according to value. We construe the second sentence in Subdivision 7 as being applicable to cotton brokers, as well as others. And, since the persons and firms mentioned in your question are engaged in the business of negotiating the purchases or sales of bales of cotton for others, they fall squarely within the statute.

In Webster's International Dictionary, 2nd. Edition, we find one definition of a broker to be "one who, for a commission or fee, brings parties together and assists in negotiating contracts between them." Hence, we find no discord between the definition of the word "broker" in the statute and its usual meaning as set forth by Webster.

In our opinion the proper answer to your question is an affirmative one.

Yours very truly

ATTORNEY GENERAL OF TEXAS
By *Glenn R. Lewis*
Glenn R. Lewis
Assistant

Attorney General
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