

By: Chavez

H.B. No. 46

A BILL TO BE ENTITLED

AN ACT

relating to exemptions from the sales tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.327 to read as follows:

Sec. 151.327. SCHOOL SUPPLIES, TEXTBOOKS, BOOKS, AND OTHER INSTRUCTIONAL MATERIALS BEFORE START OF SCHOOL. (a) The sale or storage, use, or other consumption of a school supply, including textbooks, books, and other instructional materials, is exempted from the taxes imposed by this chapter if the school supply is purchased:

(1) for use by a student in a class in a public or private elementary or secondary school;

(2) during the period described by Section 151.326(a)(2); and

(3) for a sales price of less than \$100 per item.

(b) For purposes of this exemption, "school supply" means:

(1) crayons;

(2) scissors;

(3) glue, paste, and glue sticks;

(4) pencils;

(5) pens;

(6) erasers;

(7) rulers;

- 1 (8) markers;
- 2 (9) highlighters;
- 3 (10) paper, including loose-leaf ruled notebook
4 paper, copy paper, graph paper, tracing paper, manila paper,
5 colored paper, poster board, and construction paper;
- 6 (11) writing tablets;
- 7 (12) spiral notebooks;
- 8 (13) bound composition notebooks;
- 9 (14) pocket folders;
- 10 (15) plastic folders;
- 11 (16) expandable portfolios;
- 12 (17) manila folders;
- 13 (18) three-ring binders that are three inches or less
14 in capacity;
- 15 (19) backpacks and zipper pencil bags;
- 16 (20) school supply boxes;
- 17 (21) clipboards;
- 18 (22) index cards;
- 19 (23) index card boxes;
- 20 (24) calculators;
- 21 (25) protractors;
- 22 (26) compasses;
- 23 (27) music notebooks;
- 24 (28) sketch or drawing pads;
- 25 (29) paintbrushes;
- 26 (30) watercolors;
- 27 (31) acrylic, tempera, or oil paints;

1 (32) tape, including masking tape and Scotch tape;

2 (33) clay and glazes;

3 (34) pencil sharpeners;

4 (35) thesauruses; and

5 (36) dictionaries.

6 (c) A retailer is not required to obtain an exemption
7 certificate stating that the school supplies are purchased for use
8 by a student in a class in a public or private elementary or
9 secondary school unless the supplies are purchased in a quantity
10 that indicates that the supplies are not purchased for use by a
11 student in a class in a public or private elementary or secondary
12 school.

13 SECTION 2. (a) This Act takes effect January 1, 2004.

14 (b) The change in law made by this Act does not affect taxes
15 imposed before the effective date of this Act, and the law in effect
16 before the effective date of this Act is continued in effect for
17 purposes of the liability for and collection of those taxes.