

By: Dutton

H.B. No. 361

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. Section 151.326(a), Tax Code, is amended to read as follows:

(a) The sale of an article of clothing or footwear designed to be worn on or about the human body is exempted from the taxes imposed by this chapter if:

(1) the sales price of the article is less than \$100; and

(2) the sale takes place during a period beginning at 12:01 a.m. on the first Saturday in August and ending at 11:59 p.m. on the second Friday after the first Saturday in August [~~Friday in August and ending at 12 midnight on the following Sunday~~].

SECTION 2. 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 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, including textbooks, books, and other instructional materials;

1           (2) during August; and

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

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

4           (1) crayons;

5           (2) scissors;

6           (3) glue, paste, and glue sticks;

7           (4) pencils;

8           (5) pens;

9           (6) erasers;

10          (7) rulers;

11          (8) markers;

12          (9) highlighters;

13          (10) paper, including loose-leaf ruled notebook  
14 paper, copy paper, graph paper, tracing paper, manila paper,  
15 colored paper, poster board, and construction paper;

16          (11) writing tablets;

17          (12) spiral notebooks;

18          (13) bound composition notebooks;

19          (14) pocket folders;

20          (15) plastic folders;

21          (16) expandable portfolios;

22          (17) manila folders;

23          (18) three-ring binders that are three inches or less  
24 in capacity;

25          (19) backpacks and zipper pencil bags;

26          (20) school supply boxes;

27          (21) clipboards;

- 1           (22) index cards;
- 2           (23) index card boxes;
- 3           (24) calculators;
- 4           (25) protractors;
- 5           (26) compasses;
- 6           (27) music notebooks;
- 7           (28) sketch or drawing pads;
- 8           (29) paintbrushes;
- 9           (30) watercolors;
- 10          (31) acrylic, tempera, or oil paints;
- 11          (32) tape, including masking tape and Scotch tape;
- 12          (33) clay and glazes;
- 13          (34) pencil sharpeners;
- 14          (35) thesauruses; and
- 15          (36) dictionaries.

16           (c) A retailer is not required to obtain an exemption  
17 certificate stating that the school supplies are purchased for use  
18 by a student in a class in a public or private elementary or  
19 secondary school unless the supplies are purchased in a quantity  
20 that indicates that the supplies are not purchased for use by a  
21 student in a class in a public or private elementary or secondary  
22 school.

23           (d) The governing body of a local taxing authority may  
24 repeal the exemption under this section in the manner provided by  
25 Chapter 326.

26           SECTION 3.       (a) This Act takes effect July 1, 2003, if it  
27 receives a vote of two-thirds of all the members elected to each

1 house, as provided by Section 39, Article III, Texas Constitution.  
2 If this Act does not receive the vote necessary for effect on that  
3 date, this Act takes effect October 1, 2003.

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