

Amend CSHB 3 as follows:

(1) Strike page 30, line 14, through page 31, line 1, and substitute the following:

(5) the repair, remodeling, maintenance, and restoration of tangible personal property, including motor vehicle repair services [~~except:~~

~~[(A) aircraft;~~

~~[(B) a ship, boat, or other vessel, other than:~~

~~[(i) a taxable boat or motor as defined by Section 160.001;~~

~~[(ii) a sports fishing boat; or~~

~~[(iii) any other vessel used for pleasure;~~

~~[(C) the repair, maintenance, and restoration of a motor vehicle; and~~

~~[(D) the repair, maintenance, creation, and restoration of a computer program, including its development and modification, not sold by the person performing the repair, maintenance, creation, or restoration service];~~

(2) On page 31, line 20, strike "7.25 [~~6 1/4~~] percent" and substitute " [~~6 1/4~~] percent".

(3) Add the following appropriately numbered SECTIONS to PART A, ARTICLE 3, of the bill and renumber subsequent SECTIONS of that PART accordingly:

SECTION 3A.__. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.327 to read as follows:

Sec. 151.327. SCHOOL SUPPLIES. (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 for use by a student in a class in a public or private elementary or secondary school.

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

(c) A retailer is not required to obtain an exemption certificate stating that the school supplies are purchased for use

by a student in a class in a public or private elementary or secondary school unless the supplies are purchased in a quantity that indicates that the supplies are not purchased for use by a student in a class in a public or private elementary or secondary school.

SECTION 3A.___. The change in law made by this part does not affect taxes imposed before the effective date of this part, and the law in effect before the effective date of this part is continued in effect for purposes of the liability for and collection of those taxes.

(4) On page 34, line 19, strike "Section 151.423, Tax Code, is" and substitute "Sections 151.328 and 151.423, Tax Code, are".