

By: Shapleigh

S.B. No. 39

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) a period beginning at 12:01 a.m. on the first Friday in August and ending at 12 midnight on the following Sunday; or

(B) a period beginning at 12:01 a.m. on the first Friday in December 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 BEFORE START OF SCHOOL. (a) The sale or storage, use, or other consumption of a school supply, including a backpack, 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

1 private elementary or secondary school;

2 (2) during the period described by Section
3 151.326(a)(2); and

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

5 (b) The comptroller shall adopt rules specifying the school
6 supplies that are exempt from taxation under this section.

7 (c) The exemption provided by this section does not apply to
8 the purchase of a textbook.

9 SECTION 3. The changes in law made by this Act do not affect
10 tax liability accruing before the effective date of this Act. That
11 liability continues in effect as if this Act had not been enacted,
12 and the former law is continued in effect for the collection of
13 taxes due and for civil and criminal enforcement of the liability of
14 those taxes.

15 SECTION 4. This Act takes effect December 1, 2005.