

Amend CSHB 3 as follows:

(1) on page 38, on line 3, between ";" and "and" insert the following and renumber Section 151.0101(a) (19) as Section 151.0101 (a) (20):

"(19) all membership dues and fees, membership initiation fees, products, clothing, food, meals, and beverages sold by a private club that has an alcohol beverage permit under Chapter 32, Alcohol Beverage Code;."

(2) on page 38, following line 11, by adding new Sections 3A.07 and 3A.08 to read as follows and renumbering subsequent sections:

"SECTION 3A.07. 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;

(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.08. Section 151.328(b), Tax Code, is repealed."

(3) on page 39, strike lines 11 through 16 and substitute the following:

"SECTION 3B.04. Sections 152.026(a) and (b), Tax Code, are amended to read as follows:

(a) A tax is imposed on the gross rental receipts from the rental of a rented motor vehicle or boat or aircraft.

(b) The tax rate is 10 percent of the gross rental receipts from the rental of a rented motor vehicle or boat or aircraft for 30 days or less and 7.35 [~~6~~] percent of the gross rental receipts from the rental of a rented motor vehicle or boat or aircraft for longer than 30 days."