

By: Ellis, Gallegos

S.B. No. 384

A BILL TO BE ENTITLED

AN ACT

relating to exemptions from the sales tax for certain school supplies and instructional materials.

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;

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

1           (31) acrylic, tempera, or oil paints;

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

3           (33) clay and glazes;

4           (34) pencil sharpeners;

5           (35) thesauruses; and

6           (36) dictionaries.

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

14           SECTION 2. The change in law made by this Act does not  
15 affect taxes imposed before the effective date of this Act, and the  
16 law in effect before the effective date of this Act is continued in  
17 effect for purposes of the liability for and collection of those  
18 taxes.

19           SECTION 3. This Act takes effect July 1, 2005, if it  
20 receives a vote of two-thirds of all the members elected to each  
21 house, as provided by Section 39, Article III, Texas Constitution.  
22 If this Act does not receive the vote necessary for effect on that  
23 date, this Act takes effect October 1, 2005.