

BILL ANALYSIS

Senate Research Center
80R 571 CBH-D

S.B. 49
By: Zaffirini
Finance
2/23/2007
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to the College Board, a non-profit higher education resource that administers the AP and SAT tests, student expenses for books and supplies increased 3.4 percent in the 2003-2004 academic year, which cost students at four-year institutions an average of \$843 and students at two-year institutions an average of \$745. Total college textbook market is estimated to be \$6.77 billion, based on data for the 2002-2003 academic year, according to the National Association of College Stores. According to the Texas Higher Education Coordinating Board, tuition rates at Texas public universities have been increasing an average of 18 percent per year since tuition was deregulated. As the cost of attending institutions of higher increases, it is important to provide financial support to promote student participation and success.

Current law does not provide college students with tax breaks for textbooks.

As proposed, S.B. 49 provides much needed financial relief to college students who are struggling to meet the rising cost of higher education by allowing them to purchase textbooks tax-free during the beginning of the fall and spring semesters.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter H, Chapter 151, Tax Code, by adding Section 151.3211, as follows:

Sec. 151.3211. BOOKS PURCHASED BY UNIVERSITY AND COLLEGE STUDENTS FOR LIMITED PERIOD. (a) Exempts from taxes imposed by this chapter (Limited Sale, Excise, and Use Tax) the sale of a book bought by a full-time or part-time student enrolled at an accredited Texas college or university if the sale takes place during a specified period.

(b) Authorizes a person to establish that he or she is a part-time or full-time student by presenting a valid student identification card.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: July 1, 2007, or October 1, 2007.