

By: Farabee

H.B. No. 955

A BILL TO BE ENTITLED

AN ACT

relating to exemptions from the sales tax for certain school supplies, textbooks, books, 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 or of 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) a public or private elementary or secondary school; or

(B) an institution of higher education as defined by Section 61.003, Education Code, or a private or independent college or university that is located in this state and that is accredited by a recognized accrediting agency under Section 61.003, Education Code;

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

- 1 (25) protractors;
- 2 (26) compasses;
- 3 (27) music notebooks;
- 4 (28) sketch or drawing pads;
- 5 (29) paintbrushes;
- 6 (30) watercolors;
- 7 (31) acrylic, tempera, or oil paints;
- 8 (32) tape, including masking tape and Scotch tape;
- 9 (33) clay and glazes;
- 10 (34) pencil sharpeners;
- 11 (35) thesauruses; and
- 12 (36) dictionaries.

13 (c) A retailer is not required to obtain an exemption
14 certificate stating that the school supplies are purchased for use
15 by the student unless the supplies are purchased in a quantity that
16 indicates that the supplies are not purchased for use by the student
17 in a class described by Subsection (a).

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

23 SECTION 3. This Act takes effect July 1, 2007, if it
24 receives a vote of two-thirds of all the members elected to each
25 house, as provided by Section 39, Article III, Texas Constitution.
26 If this Act does not receive the vote necessary for effect on that
27 date, this Act takes effect October 1, 2007.