

By: Ellis

S.B. No. 107

A BILL TO BE ENTITLED

1 AN ACT

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

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended
6 by adding Section 151.327 to read as follows:

7 Sec. 151.327. SCHOOL SUPPLIES, TEXTBOOKS, BOOKS, AND OTHER
8 INSTRUCTIONAL MATERIALS BEFORE START OF SCHOOL. (a) The sale or
9 storage, use, or other consumption of a school supply, including
10 textbooks, books, and other instructional materials, is exempted
11 from the taxes imposed by this chapter if the school supply is
12 purchased:

13 (1) for use by a student in a class in a public or
14 private elementary or secondary school;

15 (2) during the period described by Section
16 151.326(a)(2); and

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

18 (b) For purposes of this exemption, "school supply" means:

19 (1) crayons;

20 (2) scissors;

21 (3) glue, paste, and glue sticks;

22 (4) pencils;

23 (5) pens;

24 (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, 2007, 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, 2007.