

## **BILL ANALYSIS**

H.B. 150  
By: Smith, Todd  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Under current law, food products, meals, soft drinks, and candy for human consumption served during or after regular school hours are tax exempt when served by parent-teacher associations during a fund-raising sale; hospitals or other institutions licensed by the state for the care of humans; retirement facilities which provide permanent housing to the elderly; and public or private schools, school districts, student organizations, or parent-teacher associations during a fund-raising sale during school hours.

Additionally, food products, candy, and soft drinks sold during or after regular school hours are exempt from tax if the sale is made by a member of or volunteer for a nonprofit organization devoted to the exclusive purpose of education or religious or physical training; by a group associated with a public or private elementary or secondary school; as a part of a fund-raising drive sponsored by the organization or group and all net proceeds from the sale go to the organization or group for its exclusive use; or by a church or at a function of a church.

It is unclear whether or not sales of food products, meals, soft drinks and candy by public or private schools and school districts after regular school hours are tax exempt.

H.B. 150 exempts food products, meals, soft drinks, and candy for human consumption sold during an event sponsored or sanctioned by a school district at a concession stand from sales and use taxes if the proceeds from the sale of these products benefit the district.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 150 amends the Tax Code to exempt from sales and use taxes food products, meals, soft drinks, and candy for human consumption sold during an event sponsored or sanctioned by a school district at a concession stand operated by a temporary or permanent school employee or a volunteer if the proceeds from the sale of these products benefit the district.

### **EFFECTIVE DATE**

September 1, 2009.