

BILL ANALYSIS

Senate Research Center
81R277 CBH-D

S.B. 22
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Finance
2/26/2009
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 during 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.

The total college textbook market is estimated to be \$6.77 billion, based on sales data for the 2002-2003 academic year, according to the National Association of College Stores.

According to the Texas Higher Education Coordinating Board, since tuition deregulation occurred, tuition rates at Texas public universities are increasing an average of 18 percent a year. As the cost of attending institutions of higher education increases, it is important to provide financial support to promote student participation and success.

As proposed, S.B. 22 exempts the sale of a book purchased by a part-time or full-time student enrolled at certain institutions of higher education from sales taxes during two certain time periods in a calendar year.

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) Provides that the sale of a book is exempted from the taxes imposed by this chapter if the book is bought by a full-time or part-time student enrolled at an institution of higher education, or a private or independent college or university that is located in this state and that is accredited by a recognized accrediting agency, as defined by Section 61.003 (Definitions), Education Code, and the sale takes place during two certain time periods in a calendar year.

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

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: July 1, 2009, or October 1, 2009.