

By: Castro

H.B. No. 424

A BILL TO BE ENTITLED

AN ACT

relating to exemptions from the sales tax for certain school supplies.

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

SECTION 1. Section 151.327, Tax Code, is amended to read as follows:

Sec. 151.327. SCHOOL SUPPLIES [~~BACKPACKS~~] BEFORE START OF SCHOOL. (a) The sale or storage, use, or other consumption of [~~a~~] school supplies [~~backpack~~] is exempted from the taxes imposed by this chapter if the school supplies are [~~backpack-is~~] purchased:

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

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

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

(b) A retailer is not required to obtain an exemption certificate stating that school supplies [~~backpacks~~] are purchased for use by students in a public or private elementary or secondary school unless the supplies [~~backpacks~~] are purchased in a quantity that indicates that the supplies [~~backpacks~~] are not purchased for use by students in a public or private elementary or secondary school.

(c) For purposes of this exemption, "school supplies" means:

- 1           (1) backpacks;
- 2           (2) binders;
- 3           (3) blackboard chalk;
- 4           (4) calculators;
- 5           (5) cellophane tape;
- 6           (6) compasses;
- 7           (7) composition books;
- 8           (8) crayons;
- 9           (9) erasers;
- 10          (10) folders, including expandable, pocket, plastic,  
11 and manila folders;
- 12          (11) glue, paste, and glue sticks;
- 13          (12) highlighters;
- 14          (13) index cards;
- 15          (14) index card boxes;
- 16          (15) legal pads;
- 17          (16) lunch boxes;
- 18          (17) markers;
- 19          (18) notebooks;
- 20          (19) paper, including loose-leaf ruled notebook  
21 paper, copy paper, graph paper, tracing paper, manila paper,  
22 colored paper, poster board, and construction paper;
- 23          (20) pencils;
- 24          (21) pencil boxes and other school supply boxes;
- 25          (22) pencil sharpeners;
- 26          (23) pens;
- 27          (24) protractors;

- 1           (25) rulers;
- 2           (26) scissors; and
- 3           (27) writing tablets.

4           SECTION 2. The change in law made by this Act does not  
5 affect taxes imposed before the effective date of this Act, and the  
6 law in effect before the effective date of this Act is continued in  
7 effect for purposes of the liability for and collection of those  
8 taxes.

9           SECTION 3. This Act takes effect July 1, 2009, if it  
10 receives a vote of two-thirds of all the members elected to each  
11 house, as provided by Section 39, Article III, Texas Constitution.  
12 If this Act does not receive the vote necessary for effect on that  
13 date, this Act takes effect October 1, 2009.