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H.B. No. 1801

A BILL TO BE ENTITLED

AN ACT

relating to exemptions from the sales tax for a limited period for certain backpacks and school supplies specified by the Streamlined Sales and Use Tax Agreement.

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 AND SCHOOL BACKPACKS BEFORE START OF SCHOOL. (a) In this section:

(1) "Backpack" means a messenger bag, book bag, or a pack with straps that a person wears on the person's back, including a backpack with wheels if the backpack can also be worn on the back. The term does not include an item that is commonly considered luggage, a briefcase, an athletic bag, a duffle bag, a gym bag, a computer bag, a purse, or a framed backpack.

(2) "School supply" has the meaning assigned by the Streamlined Sales and Use Tax Agreement adopted November 12, 2002, including all amendments made to the agreement on or before December 14, 2006.

(a-1) The sale or storage, use, or other consumption of a school supply or a school backpack is exempted from the taxes imposed by this chapter if the school supply or backpack is purchased:

(1) for use by a student in a public or private

1 elementary or secondary school;

2 (2) during the period described by Section
3 151.326(a)(2); and

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

5 (b) A retailer is not required to obtain an exemption
6 certificate stating that school supplies or school backpacks are
7 purchased for use by students in a public or private elementary or
8 secondary school unless the school supplies or backpacks are
9 purchased in a quantity that indicates that the school supplies or
10 backpacks are not purchased for use by students in a public or
11 private elementary or secondary school.

12 SECTION 2. The change in law made by this Act does not
13 affect taxes imposed before the effective date of this Act, and the
14 law in effect before the effective date of this Act is continued in
15 effect for purposes of the liability for and collection of those
16 taxes.

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