

BILL ANALYSIS

H.B. 697
By: Springer
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, certain food products sold by booster clubs and other similar school support organizations do not receive the same sales tax exemptions as food products sold by a parent-teacher association. There is concern that recent efforts by the comptroller of public accounts to start collecting the sales taxes on the sale of such non-exempt food products means that school booster clubs that give 100 percent of their proceeds to benefit a school or school organizations will be forced to charge taxes during both concession stand sales and when selling school spirit merchandise. H.B. 697 seeks to amend current law so that booster clubs and other school support organizations can be treated in the same manner as a parent-teacher association and other similar entities that are in place only to help students and the school.

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. 697 amends the Tax Code to expand the food and food product exemption from sales taxes to include food products, meals, soft drinks, and candy for human consumption served by a booster club or other school support organization or sold during an event sponsored or sanctioned by an elementary or secondary school or school district at a concession stand operated by a booster club or other school support organization formed to support the school or school district, but only if the proceeds from the sales of such products benefit the school or school district. The bill exempts from sales taxes school spirit merchandise sold by a booster club or other school support organization formed to support an elementary or secondary school or school district if the proceeds from the sales of such merchandise benefit the school or school district and the merchandise is sold under an agreement with the proper school authorities in an elementary or secondary school during the regular school day or sold during an event sponsored or sanctioned by an elementary or secondary school or school district at a stand operated by the booster club or other school support organization.

EFFECTIVE DATE

September 1, 2013.