

BILL ANALYSIS

S.B. 158
By: Carona
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Essential goods and services are often granted an exemption from the sales tax. Interested parties note that newspapers are the most comprehensive source of local news and information and an essential tool to keeping the public informed. Texas has for several decades provided a sales tax exemption for newspapers with an average sales price of \$1.50 or less. The parties express concern that, while the prices for newspapers have increased over the years, the exemption has not been adjusted. According to the federal Bureau of Labor Statistics inflation calculator, \$1.50 in 1981 was the equivalent of \$3.79 at the end of 2012. S.B. 158 seeks to help newspapers to continue to work on behalf of the people, keeping them informed of matters vital to their interests, by adjusting the sales tax exemption for newspapers.

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

S.B. 158 amends the Tax Code, in a provision defining "newspaper" for purposes of an exemption from the sales tax, to raise from \$1.50 to \$3 the average per copy sales price over a 30-day period below which such a publication is exempt from the sales tax.

EFFECTIVE DATE

July 1, 2013, or, if the bill does not receive the necessary vote, October 1, 2013.