

## **BILL ANALYSIS**

Senate Research Center  
83R472 MXM-D

S.B. 158  
By: Carona  
Finance  
3/5/2013  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Essential goods and services are often granted an exception from the sales tax. Newspapers are the most comprehensive source of local news and information and an essential tool to keeping the public informed.

In 1981, Texas passed a \$1.50 sales tax exemption on the sale of newspapers. While the prices for newspapers have increased over the years, the exemption has not been adjusted since its inception over 30 years ago. According to the Bureau of Labor Statistics inflation calculator, \$1.50, in 1981, was the equivalent of \$3.79 at the end of 2012. S.B. 158 will increase the sales tax exemption on daily newspapers from \$1.50 to \$3.00. The increased exemption will better allow newspapers to continue to work on behalf of the people, keeping them informed of matters vital to their interests.

As proposed, S.B. 158 amends current law relating to the average price below which a newspaper is exempt from the sales tax.

### **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 Section 151.319(f), Tax Code, to redefine "newspaper" to mean a publication that is printed on newsprint, the average sales price of which for each copy over a 30-day period does not exceed \$3, rather than \$1.50, and that is printed and distributed at a daily, weekly, or other short interval for the dissemination of news of general character and of a general interest.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: July 1, 2013, or October 1, 2013.