

BILL ANALYSIS

Senate Research Center
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S.B. 485
By: Ellis
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 485 amends Section 151.326(a), Tax Code, to establish the 15th day preceding the state's uniform school start date as the beginning of the school sales tax holiday. The school sales tax holiday would occur the second week in August, or two weeks prior to the uniform school start date, eliminating the effects of special carve outs for specific school districts.

As proposed, S.B. 485 amends current law relating to the sales tax exemption period for clothing and footwear.

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 151.326(a), Tax Code, as follows:

(a) Exempts the sale of an article of clothing or footwear designed to be worn on or about the human body from the taxes imposed by this chapter if the sales price of the article is less than \$100; and the sale takes place during a period beginning at 12:01 a.m. on the Friday before the 15th day preceding the uniform date prescribed by Section 25.0811(a) (relating to the date before which school districts may not begin instruction being the fourth Monday in August), Education Code, without regard to any exception authorized by that section, before which a school district is prohibited from beginning instruction for the school year.

Deletes existing text providing an exemption from sales tax for an article of clothing if the sale takes place during a period beginning at 12:01 a.m. on the Friday before the eighth day preceding the earliest date on which any school district, other than a district operating a year-round system, may begin instruction for the school year as prescribed by Section 25.0811, Education Code.

SECTION 2. Provides that the change in law made by this Act does not affect tax liability accruing before the effective date of this Act. Provides that tax liability accruing before the effective date of this Act continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 3. Effective date: upon passage or September 1, 2013.