

By: Springer, Huberty, Perry,
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H.B. No. 697

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a sales and use tax exemption for certain items sold by
3 school booster clubs and support organizations; authorizing a sales
4 and use tax exemption.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 151.314(d), Tax Code, is amended to read
7 as follows:

8 (d) Food products, meals, soft drinks, and candy for human
9 consumption are exempted from the taxes imposed by this chapter if:

10 (1) served by a public or private school, school
11 district, student organization, booster club or other school
12 support organization, or parent-teacher association under an
13 agreement with the proper school authorities in an elementary or
14 secondary school during the regular school day or by a
15 parent-teacher association during a fund-raising sale the proceeds
16 of which do not benefit an individual;

17 (2) sold by a church or at a function of a church;

18 (3) served to a patient or inmate of a hospital or
19 other institution licensed by the state for the care of humans; ~~or~~

20 (4) served to a permanent resident of a retirement
21 facility which provides permanent housing and residence to
22 individuals, a majority of whom are 60 years or older; or

23 (5) sold during an event sponsored or sanctioned by an
24 elementary or secondary school or school district at a concession

1 stand operated by a booster club or other school support
2 organization formed to support the school or school district, but
3 only if the proceeds from the sales benefit the school or school
4 district.

5 SECTION 2. Subchapter H, Chapter 151, Tax Code, is amended
6 by adding Section 151.3261 to read as follows:

7 Sec. 151.3261. SCHOOL SPIRIT MERCHANDISE. (a) In this
8 section, "school spirit merchandise" means tangible personal
9 property intended to be worn or displayed as a show of support for
10 an elementary or secondary school or school district.

11 (b) School spirit merchandise sold by a booster club or
12 other school support organization formed to support an elementary
13 or secondary school or school district is exempted from the taxes
14 imposed by this chapter if the proceeds from the sales benefit the
15 school or school district and the merchandise is:

16 (1) sold under an agreement with the proper school
17 authorities in an elementary or secondary school during the regular
18 school day; or

19 (2) sold during an event sponsored or sanctioned by an
20 elementary or secondary school or school district at a stand
21 operated by the booster club or other school support organization.

22 SECTION 3. The change in law made by this Act does not
23 affect tax liability accruing before the effective date of this
24 Act. That liability continues in effect as if this Act had not been
25 enacted, and the former law is continued in effect for the
26 collection of taxes due and for civil and criminal enforcement of
27 the liability for those taxes.

1 SECTION 4. This Act takes effect September 1, 2013.