

1-1 By: Springer, et al. (Senate Sponsor - Duncan) H.B. No. 697
 1-2 (In the Senate - Received from the House May 2, 2013;
 1-3 May 3, 2013, read first time and referred to Committee on Finance;
 1-4 May 20, 2013, reported favorably by the following vote: Yeas 14,
 1-5 Nays 0; May 20, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20			X	
1-21	X			
1-22	X			

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to a sales and use tax exemption for certain items sold by
 1-26 school booster clubs and support organizations; authorizing a sales
 1-27 and use tax exemption.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. Section 151.314(d), Tax Code, is amended to read
 1-30 as follows:

1-31 (d) Food products, meals, soft drinks, and candy for human
 1-32 consumption are exempted from the taxes imposed by this chapter if:

1-33 (1) served by a public or private school, school
 1-34 district, student organization, booster club or other school
 1-35 support organization, or parent-teacher association under an
 1-36 agreement with the proper school authorities in an elementary or
 1-37 secondary school during the regular school day or by a
 1-38 parent-teacher association during a fund-raising sale the proceeds
 1-39 of which do not benefit an individual;

1-40 (2) sold by a church or at a function of a church;

1-41 (3) served to a patient or inmate of a hospital or
 1-42 other institution licensed by the state for the care of humans; ~~or~~

1-43 (4) served to a permanent resident of a retirement
 1-44 facility which provides permanent housing and residence to
 1-45 individuals, a majority of whom are 60 years or older; or

1-46 (5) sold during an event sponsored or sanctioned by an
 1-47 elementary or secondary school or school district at a concession
 1-48 stand operated by a booster club or other school support
 1-49 organization formed to support the school or school district, but
 1-50 only if the proceeds from the sales benefit the school or school
 1-51 district.

1-52 SECTION 2. Subchapter H, Chapter 151, Tax Code, is amended
 1-53 by adding Section 151.3261 to read as follows:

1-54 Sec. 151.3261. SCHOOL SPIRIT MERCHANDISE. (a) In this
 1-55 section, "school spirit merchandise" means tangible personal
 1-56 property intended to be worn or displayed as a show of support for
 1-57 an elementary or secondary school or school district.

1-58 (b) School spirit merchandise sold by a booster club or
 1-59 other school support organization formed to support an elementary
 1-60 or secondary school or school district is exempted from the taxes
 1-61 imposed by this chapter if the proceeds from the sales benefit the

2-1 school or school district and the merchandise is:

2-2 (1) sold under an agreement with the proper school
2-3 authorities in an elementary or secondary school during the regular
2-4 school day; or

2-5 (2) sold during an event sponsored or sanctioned by an
2-6 elementary or secondary school or school district at a stand
2-7 operated by the booster club or other school support organization.

2-8 SECTION 3. The change in law made by this Act does not
2-9 affect tax liability accruing before the effective date of this
2-10 Act. That liability continues in effect as if this Act had not been
2-11 enacted, and the former law is continued in effect for the
2-12 collection of taxes due and for civil and criminal enforcement of
2-13 the liability for those taxes.

2-14 SECTION 4. This Act takes effect September 1, 2013.

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