

By: Garcia

S.B. No. 1159

A BILL TO BE ENTITLED

AN ACT

relating to exempting course materials purchased, used, or consumed by certain students from the sales and use tax.

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

SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3213 to read as follows:

Sec. 151.3213. COURSE MATERIALS PURCHASED, USED, OR CONSUMED BY UNIVERSITY AND COLLEGE STUDENTS. (a) In this section:

(1) "Course materials" means tangible personal property required for a course at a university or college, including textbooks, books, magazines, and other materials.

(2) "University or college" means:

(A) an institution of higher education as defined by Section 61.003, Education Code;

(B) a private or independent college or university that is located in this state and that is accredited by a recognized accrediting agency as defined by Section 61.003, Education Code; and

(C) a career school or college as defined by Section 132.001, Education Code.

(b) The sale, use, or consumption of course materials is exempted from the taxes imposed by this chapter if the course materials are:

(1) purchased by a full-time or part-time student

1 enrolled at a university or college; and

2 (2) specifically required by the instructor of a
3 course in which the student is enrolled at the university or
4 college.

5 (c) The comptroller shall prescribe a course materials
6 sales tax exemption certificate to be used by a person to establish
7 that the person is qualified to receive the exemption authorized by
8 this section. In addition to any other requirement prescribed by
9 the comptroller, the certificate must require the person claiming
10 the exemption to:

11 (1) affirm that:

12 (A) the person is a full-time or part-time
13 student enrolled at a university or college; and

14 (B) the course materials for which the exemption
15 is claimed are specifically required by the instructor of a course
16 in which the student is enrolled at the university or college; and

17 (2) list the course materials for which the exemption
18 is claimed.

19 (d) The comptroller shall make the course materials sales
20 tax exemption certificate available to the public on the
21 comptroller's Internet website.

22 (e) Each university or college shall provide a copy of the
23 course materials sales tax exemption certificate to each person
24 enrolled at the university or college not later than the 21st day
25 before the date classes are scheduled to begin each semester or
26 term.

27 (f) A person making an in-person purchase of course

1 materials must present valid student identification and a completed
2 course materials sales tax exemption certificate at the time of the
3 purchase in order to receive the exemption authorized by this
4 section.

5 (g) The comptroller by rule shall prescribe the manner by
6 which a person making an online purchase of course materials may
7 electronically establish that the person is qualified to receive
8 the exemption authorized by this section.

9 SECTION 2. The change in law made by this Act applies only
10 to the sale, use, or consumption of course materials on or after
11 January 1, 2018.

12 SECTION 3. The change in law made by this Act does not
13 affect tax liability accruing before January 1, 2018. That
14 liability continues in effect as if this Act had not been enacted,
15 and the former law is continued in effect for the collection of
16 taxes due and for civil and criminal enforcement of the liability
17 for those taxes.

18 SECTION 4. This Act takes effect September 1, 2017.