86R1652 GRM-D

By:  Miles S.B. No. 302

A BILL TO BE ENTITLED

AN ACT

relating to a sales tax exemption for certain items sold during a limited period.

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

SECTION 1.  Section 151.326(a), Tax Code, is amended to read as follows:

(a)  The sale of an article of clothing or footwear designed to be worn on or about the human body is exempted from the taxes imposed by this chapter if:

(1)  the sales price of the article is less than $200 [~~$100~~]; and

(2)  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), Education Code, without regard to any exception authorized by that section, before which a school district may not begin instruction for the school year, and ending at 12 midnight on the following Sunday.

SECTION 2.  Section 151.327(a-1), Tax Code, is amended to read as follows:

(a-1)  The sale or storage, use, or other consumption of a school supply or a school backpack is exempted from the taxes imposed by this chapter if the school supply or backpack is purchased:

(1)  for use by a student in a public or private elementary or secondary school;

(2)  during the period described by Section 151.326(a)(2); and

(3)  for a sales price of less than $200 [~~$100~~].

SECTION 3.  Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3271 to read as follows:

Sec. 151.3271.  CERTAIN ELECTRONIC DEVICES FOR LIMITED PERIOD. (a)  In this section:

(1)  "E-reader" means a mobile electronic device that is designed primarily for the purpose of reading digital electronic books and periodicals.

(2)  "Gaming console" means a computer or other electronic device designed primarily for the use of playing video games.

(3)  "Personal computer" means a laptop, desktop, tower computer system, or other personal computer that includes a central processing unit, random access memory, a storage device, a display monitor, and a keyboard.

(4)  "Smartphone" means a mobile telephone that performs many of the functions of a computer, is typically operated by use of a touchscreen, has Internet access capability, and has an operating system capable of running downloaded applications.

(5)  "Tablet computer" means a mobile computer designed for general personal computing purposes that is primarily operated by use of a touchscreen or stylus.

(b)  The sale or storage, use, or other consumption of an e-reader, personal computer, or tablet computer is exempted from the taxes imposed by this chapter if the e-reader, personal computer, or tablet computer:

(1)  is purchased during the period described by Section 151.326(a)(2);

(2)  has a sales price of less than $750; and

(3)  is not purchased over the Internet.

(c)  The exemption provided by this section does not apply to a gaming console or smartphone.

SECTION 4.  The change in law made by this Act does not affect tax liability accruing before the effective date of this Act. That liability 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 5.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.