

By: Powell

S.B. No. 833

A BILL TO BE ENTITLED

1 AN ACT
2 relating to exempting textbooks purchased, used, or consumed by
3 university and college students from the sales and use tax for
4 limited periods.

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

6 SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended
7 by adding Section 151.3211 to read as follows:

8 Sec. 151.3211. TEXTBOOKS PURCHASED, USED, OR CONSUMED BY
9 UNIVERSITY AND COLLEGE STUDENTS FOR LIMITED PERIODS. (a) In this
10 section:

11 (1) "College" and "university" mean a private or
12 independent college or university located in this state and
13 accredited by a recognized accrediting agency.

14 (2) "Institution of higher education" and "recognized
15 accrediting agency" have the meanings assigned by Section 61.003,
16 Education Code.

17 (3) "Term" means:

18 (A) a semester, including a summer semester, for
19 an institution of higher education, college, or university that
20 operates under a semester system; and

21 (B) a quarter for an institution of higher
22 education, college, or university that operates under a quarter
23 system.

24 (b) The sale, use, or consumption of a book written,

1 designed, and produced for educational, instructional, or
2 pedagogical purposes is exempted from the taxes imposed by this
3 chapter if:

4 (1) the book is purchased by a full-time or part-time
5 student enrolled at an institution of higher education, college, or
6 university; and

7 (2) the purchase takes place at or after 12:01 a.m. on
8 the first day, but at or before 11:59 p.m. on the last day, of an
9 exemption period designated by the comptroller under Subsection
10 (c).

11 (c) The comptroller shall designate seven consecutive days
12 preceding or during the months in which the terms of institutions of
13 higher education, colleges, and universities begin during which the
14 exemption authorized by this section is effective. The comptroller
15 shall designate each exemption period for the time during which the
16 greatest number of books described by Subsection (b) is likely to be
17 purchased, as determined by the comptroller based on a review of the
18 academic calendars of institutions of higher education, colleges,
19 and universities. The comptroller shall designate the exemption
20 period in a manner and at a time that provides reasonable notice of
21 the exemption period to retailers and the public.

22 (d) A person may establish that the person is a full-time or
23 part-time student by presenting a valid student identification
24 card. The comptroller by rule shall prescribe the manner by which a
25 person making an online purchase may electronically establish that
26 the person is a full-time or part-time student.

27 SECTION 2. Notwithstanding Section 151.3211, Tax Code, as

1 added by this Act, if this Act takes effect July 1, 2019, the
2 comptroller of public accounts may not designate an exemption
3 period under that section that begins before August 1, 2019.

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

10 SECTION 4. This Act takes effect July 1, 2019, if it
11 receives a vote of two-thirds of all the members elected to each
12 house, as provided by Section 39, Article III, Texas Constitution.
13 If this Act does not receive the vote necessary for effect on that
14 date, this Act takes effect October 1, 2019.