

By: Eckhardt

S.B. No. 1769

A BILL TO BE ENTITLED

AN ACT

relating to the maximum allowable cost of certain items eligible for a sales tax exemption for 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 \$175 [~~\$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

1 elementary or secondary school;

2 (2) during the period described by Section
3 151.326(a)(2); and

4 (3) for a sales price of less than \$175 [~~\$100~~].

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

11 SECTION 4. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2023.