

By: Rodríguez Ramos

H.B. No. 4052

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from sales and use taxes for certain resale clothing and footwear items.

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

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

Sec. 151.3261. RESALE CLOTHING. (a) In this section, "resale clothing" means clothing or footwear designed to be worn on or about the human body that was previously sold or used and is subsequently sold by a seller or retailer, including items of clothing and footwear sold by a thrift store, consignment shop, or similar establishment. The term does not include clothing or footwear:

(1) that has been materially modified in a manner to intentionally increase its value significantly beyond its original resale price;

(2) sold as a luxury or upcycled fashion item at a price higher than the typical resale value for similar used clothing or footwear; or

(3) the immediately preceding sale of which qualified as a sale for resale for purposes of Section 151.302.

(b) The sale, storage, use, or other consumption of an article of resale clothing is exempted from the taxes imposed by this chapter.

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

7 SECTION 3. This Act takes effect September 1, 2025.