

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 18, 2025

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1415 by Hughes (Relating to the sales tax exemption period for clothing, footwear, and certain school-related items.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 151.326(a) of the Tax Code by changing the period during which the “sales tax holiday” (holiday) for articles of clothing or footwear under \$100 takes place. The change proposed by the bill would also affect the sales tax holiday for school supplies and backpacks in Section 151.327 of the Code.

The bill would prescribe the holiday take place beginning at 12:01 a.m. on the Friday immediately preceding the first Saturday that follows July 30. Under current law the holiday begins before the 15th day preceding the first day of school as prescribed by statute.

The bill changes the beginning date of the annual sales tax holiday on certain items of clothing and school supplies; but does not change the days of the week the holiday takes place or its duration, or alter the items eligible for exemption, therefore the bill would have no revenue implications.

The bill would take effect September 1, 2025.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD