By: Canales H.B. No. 889

A BILL TO BE ENTITLED

AN ACT

relating to exempting textbooks purchased, used, or consumed by university and college students from sales and use taxes for limited periods.

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

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

Sec. 151.3211. TEXTBOOKS PURCHASED, USED, OR CONSUMED BY UNIVERSITY AND COLLEGE STUDENTS FOR LIMITED PERIODS. (a) In this section, "institution of higher education" and "recognized accrediting agency" have the meanings assigned by Section 61.003, Education Code.

(b) The sale, use, or consumption of a book written, designed, and produced for educational, instructional, or pedagogical purposes is exempted from the taxes imposed by this chapter if:

(1) the book is purchased by a full-time or part-time student enrolled at an institution of higher education or a private or independent college or university that is located in this state and that is accredited by a recognized accrediting agency; and

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

(c) The comptroller shall designate seven consecutive days in January and seven consecutive days in August of each year during which the exemption authorized by this section is effective. The comptroller shall designate each exemption period for the time in the relevant month when the greatest number of books described by Subsection (b) is likely to be purchased, as determined by the comptroller based on a review of the academic calendars of institutions of higher education and colleges and universities described by Subsection (b)(1). The comptroller shall designate the exemption period in a manner and at a time that provides reasonable notice of the exemption period to retailers and the public.

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

SECTION 2. The change in law made by this Act does not affect taxes imposed before the effective date of this Act, and the law in effect before the effective date of this Act is continued in effect for purposes of the liability for and collection of those taxes.

SECTION 3. This Act takes effect July 1, 2027, 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 effect on that date, this Act takes effect October 1, 2027.