

SUBJECT:	Exempting private university transcripts from sales tax
COMMITTEE:	Ways & Means — favorable, without amendment
VOTE:	9 ayes — Meyer, Craddick, Gervin-Hawkins, Hefner, Muñoz, Noble, Raymond, Shine, Turner  0 nays  2 absent — Thierry, Button
WITNESSES:	For — ( <i>Registered, but did not testify</i> : Kevin Hale, Libertarian Party of Texas)  Against — ( <i>Registered, but did not testify</i> : Susan Stewart)  On — ( <i>Registered, but did not testify</i> : Shannon Brandt, Brad Reynolds, Comptroller of Public Accounts)
BACKGROUND:	Tax Code sec. 151.0038 defines an "information service" as furnishing general or specialized news or other current information, or electronic data retrieval or research. Sec. 151.0101 specifies that information services are taxable services under the Limited Sales, Excise, and Use Tax Act.
DIGEST:	HB 591 would specify that information services subject to sales and use taxes did not include the furnishing of an academic transcript.  The bill would take effect October 1, 2023, and would not affect tax liability accruing before that date.
SUPPORTERS SAY:	HB 105 would ensure students from all colleges and universities in the state could access their academic transcript without having to pay sales tax. Currently, students who attend public colleges and universities may request copies of their academic transcripts without having to pay sales tax, even if they pay a fee for the service. However, students attending private schools are charged sales tax when requesting their transcripts

from a private school. HB 105 would provide parity so that no matter where a student attended college, the student would not be subject to sales tax when requesting an academic transcript.

CRITICS  
SAY:

HB 105 should ensure all fees related to a student's transcript would be exempt from sales tax. Universities are incurring higher costs and are passing those costs on to students in the form of additional and higher fees. Additional fees related to transcripts may include separate fees to prepare a transcript for in-person pickup and for notary service.