

BILL ANALYSIS

Senate Research Center
77R177 KEL-D

H.B. 82
By: Gallego (Duncan)
Finance
4/5/2001
Engrossed

DIGEST AND PURPOSE

Currently, university and college student organizations are taxed on income generated through fund raising activities. As proposed, H.B. 82 provides tax exemptions for the first \$5,000 of total receipts raised by qualified student organizations.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 151.321, Tax Code, as follows:

- (b) Provides that in each calendar year, the first \$5,000 of a qualified student organization's total receipts from sales of taxable items not otherwise exempt under Subsection (a) is exempt from the taxes imposed by Subchapter C.
- (c) Provides that a student organization qualifies for the exemptions under Subsections (a) and (b) if the student organization meets certain requirements.

SECTION 2. (a) Effective date: October 1, 2001.

- (b) Provides that 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 liability for and collection of those taxes.
- (c) Provides that for purposes of application of Section 151.321(b), Tax Code, as added by this Act, to the 2001 calendar year, the period beginning October 1, 2001, and ending December 31, 2001, is treated as a calendar year.