

## **BILL ANALYSIS**

Senate Research Center  
80R812 CBH-D

S.B. 107  
By: Ellis  
Finance  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current law, the sale of an article of clothing or footwear is exempted from the taxes imposed by Chapter 151 (Limited Sales, Use, and Excise Tax), Tax Code, for a period of time before the beginning of the school year. However, the expenses families with school-aged children face include school supplies as well as clothing and footwear. Expanding the tax holiday to include school supplies may lessen financial pressures faced by these families at the beginning of the school year.

As proposed, S.B. 107 expands the base of the current three-day sales tax exemption in August on clothing and shoes under \$100 in price to include school supplies purchased for use by a student in a class in a public or private elementary or secondary school.

### **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 Subchapter H, Chapter 151, Tax Code, by adding Section 151.327, as follows:

Sec. 151.327. SCHOOL SUPPLIES, TEXTBOOKS, BOOKS, AND OTHER INSTRUCTIONAL MATERIALS BEFORE START OF SCHOOL. (a) Exempts the purchase or use of school supplies from sales, excise, and use taxes if the items are purchased for use by a student in a public or private elementary or secondary school (school), are purchased between 12:01 am on the first Friday of August and 12 midnight on the following Sunday, and if the sales price is less than \$100 per item.

(b) Sets forth the list of items that would be considered school supplies.

(c) Provides that a retailer is not required to obtain an exemption certificate stating that these school supplies are being purchased for use by a student in school unless the quantity purchased indicates otherwise.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: July 1, 2007, or October 1, 2007.