

BILL ANALYSIS

Senate Research Center
87R5724 RDS-F

H.B. 2625
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Finance
5/17/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, public universities are not subject to sales tax, as they are exempt organizations, so they do not charge sales tax on the sale of academic transcripts. However, private universities are non-governmental bodies and are required to collect sales tax on academic transcripts as the transcripts are defined as an information service. Statute defines "information service" as furnishing general or specialized news including financial information, by printed, mimeographed, electronic, or electrical transmission.

H.B. 2625 exempts a transaction for an academic transcript at a private university from the requirement that sales tax be collected on the price of the transcript by updating the tax code to state that the issuance of academic transcripts is not an information service.

H.B. 2625 amends current law relating to excluding the furnishing of an academic transcript from the definition of "information service" for purposes of sales and use taxes.

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 151.0038, Tax Code, by adding Subsection (c) to provide that, for the purposes of certain sales and use taxes, "information service" does not include the furnishing of an academic transcript.

SECTION 2. Provides that the change in law made by this Act does not affect tax liability accruing before the effective date of this Act. Provides that liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 3. Effective date: October 1, 2021.