

## **BILL ANALYSIS**

Senate Research Center  
81R9847 BEF-F

H.B. 1801  
By: Bohac et al. (Shapiro)  
Finance  
5/19/2009  
Engrossed

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

School backpacks and clothing are currently exempt from state sales and use taxes for a specific period of time preceding the start of the school year.

This bill assists families in preparing students for the upcoming school year by adding certain school supplies, as defined under the Streamlined Sales and Use Tax Agreement, to the list of items exempt from sales and use taxes during the specific period.

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### **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 151.327, Tax Code, as follows:

Sec. 151.327. New heading: SCHOOL SUPPLIES AND SCHOOL BACKPACKS BEFORE START OF SCHOOL. (a) Defines "backpack" and "school supply."

(a-1) Creates this subsection from existing text. Exempts the sale or storage, use, or other consumption of a school supply or a school backpack from the taxes imposed by this chapter if the school supply or backpack is purchased for use by a student in a public or private elementary or secondary school, during the period described by Section 151.326(a)(2) (relating to the exemption of clothing and footwear from certain taxes if the sale takes place during a period beginning at 12:01 a.m. on the third Friday in August and ending at 12 midnight on the following Sunday), and for a sales price of less than \$100.

(b) Makes conforming changes.

SECTION 2. 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 the liability for and collection of those taxes.

SECTION 3. Effective date: July 1, 2009, or October 1, 2009.