

## **BILL ANALYSIS**

Senate Research Center  
83R959 TJB-D

S.B. 46  
By: Zaffirini  
Finance  
4/23/2013  
As Filed

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

According to the College Board, a nonprofit higher education resource, books and other course materials account for an estimated \$1,168 of an undergraduate student's annual budget at a four-year public college. In Texas, sales tax on this amount is approximately \$96.36, based on the maximum sales tax rate of 8.25 percent. As appropriations for higher education have decreased, institutions have increased tuition, and students have been left to bear the burden of the higher cost of education.

Similar to the state's sales tax holiday for school supplies, this bill would provide financial relief to college and university students by establishing two annual, 10-day tax-free periods during which a full-time or part-time student at a public or private Texas institution of higher education with valid student identification may purchase textbooks on a tax-free basis.

As proposed, S.B. 46 amends current law relating to exempting books purchased, used, or consumed by university and college students from the sales and use tax for a limited period.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the comptroller of public accounts of the State of Texas in SECTION 1 (Section 151.3211, Tax Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter H, Chapter 151, Tax Code, by adding Section 151.3211, as follows:

Sec. 151.3211. BOOKS PURCHASED, USED, OR CONSUMED BY UNIVERSITY AND COLLEGE STUDENTS FOR LIMITED PERIOD. (a) Exempts the sale, use, or consumption of a book from the taxes imposed by this chapter if the book is purchased by a full-time or part-time student enrolled at an institution of higher education as defined by Section 61.003 (Definitions), Education Code, or a private or independent college or university that is located in this state and is accredited by a recognized accrediting agency as defined by Section 61.003, Education Code, and the purchase takes place during a certain period of time.

(b) Authorizes a person to establish that the person is a full-time or part-time student by presenting a valid student identification card. Requires the comptroller of public accounts of the State of Texas by rule to prescribe the manner in which a person may electronically establish, when making an online purchase, that the person is a full-time or part-time student.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: July 1, 2013, or October 1, 2013.