

## BILL ANALYSIS

Senate Research Center  
86R5271 SRA-D

S.B. 833  
By: Powell  
Finance  
3/21/2019  
As Filed

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

S.B. 833 would exempt books from the sales tax when purchased by a full or part-time student enrolled at a public or private institution of higher education in Texas during a seven-day period designated by the comptroller of public accounts of the State of Texas. Similar legislation filed in 2013 (S.B. 46) carried an approximate cost of \$60 million for the biennium (over a 10-day period).

Textbooks are an increasing barrier to college affordability. According to a review of Bureau of Labor Statistics (BLS) data, textbook prices rose at over three times the rate of inflation from January 1977 to June 2015, a 1,041 percent increase.

"Economics classes, ironically, have the most expensive books per class at \$317 per class. The average new book for a Physics class is \$158 and \$124 for engineering books. English/literature books are, on average, the least expensive at \$19, though students are expected to buy far more books in these classes. The chart below shows the average price of a book for major departments . . . . Biochemistry will set a student back over \$400."

<https://capitol.texas.gov/tlodocs/83R/fiscalnotes/pdf/SB00046I.pdf#navpanes=0>  
<<https://capitol.texas.gov/tlodocs/83R/fiscalnotes/pdf/SB00046I.pdf>>

<<https://www.nbcnews.com/feature/freshman-year/college-textbook-prices-have-risen-812-percent-1978-n399926>>

<<https://priceconomics.com/which-major-has-the-most-expensive-textbooks/>>

As proposed, S.B. 833 amends current law relating to exempting textbooks purchased, used, or consumed by university and college students from the sales and use tax for limited periods.

### 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. TEXTBOOKS PURCHASED, USED, OR CONSUMED BY UNIVERSITY AND COLLEGE STUDENTS FOR LIMITED PERIODS. (a) Defines "college," "university," "institution of higher education," "recognized accrediting agency," and "term."

(b) Exempts the sale, use, or consumption of a book written, designed, and produced for educational, instructional, or pedagogical purposes from the taxes imposed by this chapter (Limited Sales, Excise, and Use Tax) if:

(1) the book is purchased by a full-time or part-time student enrolled at an institution of higher education, college, or university; and

(2) the purchase takes place at or after 12:01 a.m. on the first day, but at or before 11:59 p.m. on the last day, of an exemption period designated by the comptroller of public accounts of the State of Texas (comptroller) under Subsection (c).

(c) Requires the comptroller to designate seven consecutive days preceding or during the months in which the terms of institutions of higher education, colleges, and universities begin during which the exemption authorized by this section is effective. Requires the comptroller to designate each exemption period for the time during which the greatest number of books described by Subsection (b) is likely to be purchased, as determined by the comptroller based on a review of the academic calendars of institutions of higher education, colleges, and universities. Requires the comptroller to designate the exemption period in a manner and at a time that provides reasonable notice of the exemption period to retailers and the public.

(d) 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 by rule to prescribe the manner by which a person making an online purchase is authorized to electronically establish that the person is a full-time or part-time student.

SECTION 2. Prohibits the comptroller, notwithstanding Section 151.3211, Tax Code, as added by this Act, if this Act takes effect July 1, 2019, from designating an exemption period under that section that begins before August 1, 2019.

SECTION 3. 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 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 4. Effective date: July 1, 2019, or October 1, 2019.