

## **BILL ANALYSIS**

Senate Research Center  
76R2886 DAK-D

S.B. 301  
By: Ellis  
Finance  
2/25/1999  
As Filed

### **DIGEST**

Currently, Texas' sales taxes combined with other local sales taxes are among the highest in the nation. By eliminating taxes on articles of clothing or footwear, the state can lessen the burden of the sales tax for necessary goods at the beginning of the school year. This bill would provide sales taxes exemptions for purchases up to \$500 on articles of clothing or footwear designed for persons 13 years of age or younger.

### **PURPOSE**

As proposed, S.B. 301 provides sales tax exemptions for purchases up to \$500 on articles of clothing or footwear for persons 13 years of age or younger.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 151H, Tax Code, by adding Section 151.325, as follows:

Sec. 151.325. CLOTHING FOR CHILDREN PRIOR TO START OF SCHOOL. Provides that during August the sale of an article of clothing or footwear designed to be worn on or about the body of a person younger than 13 years of age is exempted from the taxes imposed by this chapter if the sales price of the article is less than \$500. Provides that this section does not apply to certain items.

SECTION 2. (a) Effective date: first day of the first calendar quarter beginning on or after the date that it may take effect under Section 39, Article III, Texas Constitution.

(b) Makes application of this Act prospective.

SECTION 3. Emergency clause.