

BILL ANALYSIS

Senate Research Center

C.S.S.B. 222
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Finance
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Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

According to the College Board, student expenses for books and supplies increased 3.4 percent in the 2003-2004 school year, costing students at four-year institutions an average of \$843 and students at two-year institutions an average of \$745. The total college textbook market is estimated to be \$6.77 billion based on sales data for the 2002-2003 academic year, according to the National Association of College Stores. As the cost of attending institutions of higher education increases, it is important to provide financial relief to students, thus promoting success.

C.S.S.B. 222 provides financial relief to college students by allowing students to purchase textbooks tax-free during the beginning of the fall and spring semesters.

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 Subchapter H, Chapter 151, Tax Code, by adding Section 151.3211, as follows:

Sec. 151.3211. BOOKS PURCHASED BY UNIVERSITY AND COLLEGE STUDENTS FOR LIMITED PERIOD. Provides that the sale of a book is exempted from the taxes imposed by this chapter if the book is bought by a full or part-time student enrolled at an accredited public or private institution of higher education and the sale takes place during a specific time period. Authorizes an individual to establish his or her student status by presenting a valid student identification card.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: July 1, 2005, or October 1, 2005.