

HOUSE RESEARCH

Bill Summary

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Expands the existing sales tax for the purchase of instructional materials to explicitly include:

- charts and models used in the course of study;
- pens, pencils, paper, and other art supplies used in art classes; and
- tools, equipment, and supplies required for obtaining a degree or certification, even if these items are normally used in the practice of the trade or career. An example would be special scissors for hairdressing.

Effective for sales and purchases made after June 30, 2015.

Background: The sales tax exemption for instructional materials currently has an illustrative list of items that qualify for the exemption. However the Department of Revenue has generally treated this as an exhaustive list. Current law also states that general reference works and items *incidental* to the instruction process such as pens, paper, and folders do not qualify. This exclusion has led the Department to deny the exemption for art supplies. Textbooks, including digital textbooks, are exempt under another subdivision of law.