



Susan Combs
Texas Comptroller of Public Accounts



Dear Retailer,

The 81st Texas Legislature recently passed House Bill 1801 expanding the list of items qualifying for exemption from Texas state and local sales and use taxes during the annual sales tax holiday in August. Effective this year, in addition to clothes, footwear and some backpacks, Texas families also get a sales tax break on school supplies priced less than \$100 purchased for use by a student in an elementary or secondary school.

The following is an all-inclusive list of qualifying school supplies (if priced less than \$100):

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|---|--|---|---|--|---|
|  | 1. Binders |  | 12. Highlighters |  | 20. Pencil boxes and other school supply boxes |
| | 2. Book bags | | 13. Index cards | | 21. Pencil sharpeners |
| | 3. Calculators | | 14. Index card boxes | | 22. Pencils |
| | 4. Cellophane tape |  | 15. Legal pads |  | 23. Pens |
|  | 5. Blackboard chalk | | 16. Lunch boxes | | 24. Protractors |
| | 6. Compasses | | 17. Markers | | 25. Rulers |
| | 7. Composition books | | 18. Notebooks |  | 26. Scissors |
|  | 8. Crayons |  | 19. Paper; loose leaf ruled notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board and construction paper | | 27. Writing tablets |
| | 9. Erasers | | | | |
| | 10. Folders; expandable, pocket, plastic and manila |  | | | |
|  | 11. Glue, paste and paste sticks | | | | |


No exemption certificate is required — with one exception. If the purchaser is buying the supplies under a business account, the retailer must obtain an exemption certificate from the purchaser certifying the items are purchased for use by an elementary or secondary school student. “Under a business account” means the purchaser is using a business credit card or business check rather than a personal credit card or personal check; is being billed under a business account maintained at the retailer; or is using a business membership at a retailer that is membership based.

The 2009 sales tax holiday begins at **12:01 a.m. on Friday, Aug. 21**, and ends at midnight **Sunday, Aug. 23**.

In addition to the school supplies identified above, most clothing, footwear and backpacks priced under \$100 continue to qualify for exemption during the sales tax holiday. Complete information is available on our Web site at www.window.state.tx.us/taxinfo/taxpubs/tx98_490/tx98_490.html.

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We hope this information is helpful. If you have any questions concerning Texas sales and use tax, call **(800) 252-5555** or **(512) 463-4600**. The Tax Help e-mail address is tax.help@cpa.state.tx.us.

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