



1 unless the entity has obtained a sales tax exemption  
2 certificate from the department or the entity obtains or  
3 provides other documentation as required by the department.  
4 Eligible purchases or leases made with such a certificate must  
5 be in strict compliance with this subsection and departmental  
6 rules, and any person who makes an exempt purchase with a  
7 certificate that is not in strict compliance with this  
8 subsection and the rules is liable for and shall pay the tax.  
9 The department may adopt rules to administer this subsection.

10 (r) School books and school lunches.--This exemption  
11 applies to school books used in regularly prescribed courses  
12 of study, and to school lunches served in public, parochial,  
13 or nonprofit schools operated for and attended by pupils of  
14 grades K through 12. Yearbooks, magazines, newspapers,  
15 directories, bulletins, and similar publications distributed  
16 by such educational institutions to their students are also  
17 exempt. ~~School Books, other than those provided for in~~  
18 paragraph (ccc), and food sold or served at community colleges  
19 and other institutions of higher learning are taxable.

20 (ccc) Textbooks.--

21 1. Also exempt from the tax imposed by this chapter  
22 are textbooks purchased by full-time and part-time  
23 postsecondary students for their courses. This exemption  
24 applies only to textbooks that are required or recommended for  
25 a course in which such student is enrolled at an eligible  
26 institution of higher education. Upon purchase of such  
27 textbooks from a participating bookstore, the student shall  
28 present a valid student identification card from an eligible  
29 institution of higher education and documentation that  
30 confirms such textbooks are required or recommended for the  
31 course in which the student is enrolled.

1           2. As used in this paragraph, the term:

2           a. "Eligible institution of higher education" means:

3           (I) A public university or community college in this  
4 state;

5           (II) A baccalaureate-degree granting independent  
6 nonprofit college or university that is accredited by the  
7 Commission on Colleges of the Southern Association of Colleges  
8 and Schools and is located in and chartered as a domestic  
9 corporation by the state; or

10           (III) An independent postsecondary education  
11 institution in this state that is licensed by the Commission  
12 for Independent Education and is authorized to grant degrees.

13           b. "Participating bookstore" means a retail  
14 establishment that derives 10 percent or more of its annual  
15 gross sales, per location, from the sale of text books.

16           (ddd) Bookstore operations at a postsecondary  
17 educational institution.--Also exempt from payment of the tax  
18 imposed by this chapter on renting, leasing, letting, or  
19 granting a license for the use of any real property are  
20 payments to a postsecondary educational institution by any  
21 person pursuant to a grant of the right to conduct bookstore  
22 operations on real property owned or leased by the  
23 postsecondary educational institution. As used in this  
24 paragraph, "bookstore operations" means the sale,  
25 distribution, and provision of textbooks, merchandise, and  
26 services traditionally offered in college and university  
27 bookstores for the benefit of the institution's students,  
28 faculty, and staff.

29           Section 2. This act shall take effect July 1, 2006.

30  
31

1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2                   COMMITTEE SUBSTITUTE FOR  
3                   SB 1554

4 The Committee Substitute makes the following changes to SB  
5 1554:

- 6 1) Removes the definition of textbook;
- 7 2) Requires that textbooks must be purchased from a  
8 participating bookstore and provides a definition for a  
9 "participating bookstore" to mean a retail establishment  
10 that derives 10 percent or more of its annual gross  
11 sales, per location, from the sale of textbooks;
- 12 3) Clarifies the definition of "eligible institution of  
13 higher education;"
- 14 4) Requires that in addition to a valid student  
15 identification card, a student must present documentation  
16 that confirms such textbooks are required or recommended  
17 for the course in which the student is enrolled; and
- 18 5) Provides a sales tax exemption on the renting, leasing,  
19 letting, or granting of a license for the use of any real  
20 property paid by bookstore operators to postsecondary  
21 educational institutions. "Bookstore operators" are  
22 defined to mean the sale, distribution, and provision of  
23 textbooks, merchandise, and services traditionally  
24 offered in college and university bookstores for the  
25 benefit of the institution's students, faculty, and  
26 staff.