

SUBJECT: Exempting certain family and wound care items from sales and use tax

COMMITTEE: Ways & Means — favorable, without amendment

VOTE: 11 ayes — Meyer, Thierry, Button, Craddick, Gervin-Hawkins, Hefner, Muñoz, Jr., Noble, Raymond, Shine, Turner

0 nays

SENATE VOTE: On final passage (May 16) — 29 - 2

WITNESSES: None (*considered in a formal meeting on May 18*)

BACKGROUND: Some have suggested that the sales and use tax exemption for wound care dressings and certain family care items should be codified.

DIGEST: SB 379 would exempt from the sales and use tax the sale, storage, use, and other consumption of:

- wound care dressings;
- adult or children's diapers;
- baby wipes;
- baby bottles;
- feminine hygiene products;
- maternity clothing; and
- breast milk pumping products, including the pump and its power source.

Tax liability that accrued before the effective date of the act would not be impacted by the bill.

Technical changes to references related to individuals with certain disabilities also would be made under the bill.

The bill would take effect September 1, 2023.

NOTES:

According to the Legislative Budget Board, SB 379 would have a negative impact of \$226,713,000 on general revenue funds through the biennium ending August 31, 2025.

The bill also would result in revenue loss to the Tax Reduction and Excellence in Education Fund in the amount of \$8,224,000 for the 2024-25 biennium. Any loss to the Tax Reduction and Excellence in Education Fund must be made up with an equal amount of general revenue to fund the Foundation School Program.