

By: Rodriguez

H.B. No. 763

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the comptroller's reports on the effect of certain tax
3 provisions and on tax incidence.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 403.014(b), Government Code, is amended
6 to read as follows:

7 (b) The report must include:

8 (1) an analysis of each special provision that reduces
9 the amount of tax payable, to include an estimate of the loss of
10 revenue for a six-year period including the current fiscal biennium
11 and a citation of the statutory or legal authority for the
12 provision; and

13 (2) for provisions reducing revenue by more than one
14 percent of total revenue for a tax covered by this section:

15 (A) the effect of each provision on the
16 distribution of the tax burden by income class and industry or
17 business class and by ethnic group, as appropriate; and

18 (B) the effect of each provision on total income
19 by income class and by ethnic group, as appropriate.

20 SECTION 2. Section 403.0141(c), Government Code, is amended
21 to read as follows:

22 (c) To the extent data is available, the incidence impact
23 analysis under Subsections (a) and (b):

24 (1) shall evaluate the tax burden:

1 (A) on the overall income distribution, using a
2 systemwide incidence measure or other appropriate measures of
3 equality and inequality; ~~and~~

4 (B) on income classes, including, at a minimum,
5 quintiles of the income distribution, on renters and homeowners, on
6 industry or business classes, as appropriate, and on various types
7 of business organizations; and

8 (C) on ethnic groups;

9 (2) may evaluate the tax burden:

10 (A) by other appropriate taxpayer
11 characteristics, such as whether the taxpayer is a farmer, rancher,
12 retired elderly, or resident or nonresident of the state; and

13 (B) by distribution of impact on consumers,
14 labor, capital, and out-of-state persons and entities;

15 (3) shall evaluate the effect of each tax on total
16 income by income group and by ethnic group; and

17 (4) shall:

18 (A) use the broadest measure of economic income
19 for which reliable data is available; and

20 (B) include a statement of the incidence
21 assumptions that were used in making the analysis.

22 SECTION 3. This Act takes effect September 1, 2003.