

By: Shapleigh

S.B. No. 30

A BILL TO BE ENTITLED

AN ACT

relating to an analysis of the effects of certain tax policies.

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

SECTION 1. SPECIAL REPORT ON EFFECTS OF CERTAIN TAX POLICIES ON PERSONAL INCOME AND BUSINESSES. (a) The comptroller of public accounts shall prepare a report that provides a comprehensive analysis of the effects of tax policies adopted during a special session of the 79th Legislature on the personal income of residents of this state and on businesses in this state. Not later than October 15, 2006, the comptroller shall submit the report to the governor, lieutenant governor, speaker of the house of representatives, and each other member of the legislature.

(b) The report required under Subsection (a) of this section must include at least the following information with respect to business taxes enacted or significantly reformed by the 79th Legislature:

(1) the total amount of the tax revenue collected from businesses between the effective date of this Act and the date of the report;

(2) a profile of the businesses that paid the taxes by:

(A) the number of employees;

(B) the two-digit standard industrial classification; and

(C) for the period described by Subdivision (1)

1 of this subsection:

2 (i) the total amount of wages paid and,
3 reported separately, the total amount of taxable wages paid;

4 (ii) the total amount of profits made and,
5 reported separately, the total amount of taxable profits made;

6 (iii) the total amount of taxes paid; and

7 (iv) any credits used to reduce tax
8 liability;

9 (3) the percentage of the taxes that were paid by
10 businesses with fewer than 100 employees;

11 (4) an estimate of the number and wages of workers not
12 covered by the taxes; and

13 (5) an estimate of the number, two-digit standard
14 industrial classification, and profits of, and an estimate of the
15 wages paid by, businesses not covered by the taxes.

16 (c) The report required under Subsection (a) of this section
17 must also include at least the following:

18 (1) with respect to major legislation enacted by the
19 79th Legislature during a special session, a tax incidence
20 analysis, categorized by industry sector and family income level,
21 of the effects of:

22 (A) any reduction in school district tax rates;

23 (B) any changes in business taxation;

24 (C) any changes in property taxation;

25 (D) any increase in the rate of the sales tax on
26 the sales tax base as compared to the sales tax base that existed on
27 January 1, 2005;

1 (E) any repeal of a sales tax exemption or
2 exclusion;

3 (F) any increase in the rate of the motor vehicle
4 sales and use tax;

5 (G) any increase in the rate of the boat and boat
6 motor sales and use tax;

7 (H) any tax imposed on the sale of discretionary
8 food and drink items;

9 (I) any increase in rate of the cigarette, cigar,
10 or tobacco products tax; and

11 (J) any other changes in major state taxes; and

12 (2) with respect to residents of this state who
13 itemize deductions on their federal income tax returns, an
14 analysis, categorized by income level, of:

15 (A) the amount of state sales taxes deducted from
16 those persons' federal income taxes; and

17 (B) the difference between the federal income tax
18 deductions for property taxes paid that were claimed by those
19 persons before property tax rate reductions were enacted during a
20 special session of the 79th Legislature and the federal income tax
21 deductions for property taxes paid that were claimed by those
22 persons after those reductions were enacted.

23 (d) Not later than October 15, 2008, the comptroller of
24 public accounts shall:

25 (1) update the information contained in the report
26 submitted under this section; and

27 (2) submit the updated report to the persons listed in

1 Subsection (a) of this section.

2 SECTION 2. EFFECTIVE DATE. This Act takes effect
3 immediately if it receives a vote of two-thirds of all the members
4 elected to each house, as provided by Section 39, Article III, Texas
5 Constitution. If this Act does not receive the vote necessary for
6 immediate effect, this Act takes effect on the 91st day after the
7 last day of the legislative session.