

Substitute the following for the Coleman amendment:

SECTION___. SPECIAL REPORT ON EFFECT OF CERTAIN TAX POLICIES ON PERSONAL INCOME AND BUSINESS. No later than October 15, 2006, the Comptroller of Public Accounts shall submit a report to the governor and each member of the legislature providing a comprehensive analysis of the effect of certain tax policies on personal income and business. The report shall be updated before October 15, 2008. The report shall include, at a minimum, the following:

(a) The total amount of business taxes collected under Article 2 of this Act;

(b) A profile of the businesses paying the reformed franchise tax by the number of employees, the two-digit standard industrial classification, the amount of total wages and taxable wages, the total amount of taxes paid, any credits used to reduce tax liability, the percentage of taxes paid by companies with fewer than 100 employees, and an estimate of the number and wages of workers not covered by the tax;

(c) A tax incidence analysis by industry sector and family income level of the limitation on school districts tax rates contained in this Act, the changes in business taxation contained in Article 2 of this Act, the increase in the rate of the sales tax on the sales tax base as that base existed prior to the effective date of this Act, each sales tax exemption or exclusion repealed by this Act; the increase in the rate of the motor vehicle sales and use tax contained in this Act, the increase in the rate of the boat and motor boat sales tax contained in this Act, the tax on discretionary food and drink items contained in this Act, the increase in rates of the cigarette and tobacco products taxes contained in this Act, and the changes in the Telecommunications Infrastructure Fund contained in this Act.

(d) An analysis by income level of Texans who itemize their federal income taxes and the amount of state sales taxes deducted from federal income taxes by income level and the amount of deductions lost due to property tax rate reductions required by this Act.