

Amend CSHB 3 (Senate committee printing) as follows:

(1) Add the following appropriately numbered ARTICLE to the bill and renumber subsequent ARTICLES of the bill accordingly:

ARTICLE _____. INHERITANCE TAXES

SECTION __.01. Section 211.001(14), Tax Code, is amended to read as follows:

(14) "Value" means value as finally determined and used for purposes of computing the federal tax or the tax imposed by this chapter.

SECTION __.02. Section 211.003, Tax Code, is amended to read as follows:

Sec. 211.003. REFERENCES TO INTERNAL REVENUE CODE. A citation of or a reference to a subtitle, a chapter, or a section of the Internal Revenue Code of 1954 is a citation of or reference to [~~includes~~] that subtitle, chapter, or section as it existed [~~exists~~] on December 31, 2000 [~~September 1, 1981, or as amended after that date and also includes any other provision of the Internal Revenue Code enacted after September 1, 1981, that is similar to or a replacement of the subtitle, chapter, or section cited or referred to~~].

SECTION __.03. Section 211.056, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) This section applies only to an estate that is subject to both the federal tax and the tax imposed by this chapter.

(a-1) The comptroller shall confer with the Internal Revenue Service of the United States to determine the value of a decedent's estate that is located in this state and that is valued by the United States for tax purposes.

SECTION __.04. Subchapter B, Chapter 211, Tax Code, is amended by adding Section 211.057 to read as follows:

Sec. 211.057. VALUE OF ESTATES NOT SUBJECT TO FEDERAL TAX. The comptroller shall adopt rules for determining the value of a decedent's estate that is located in this state and that is not subject to the federal tax.

SECTION __.05. Section 211.102, Tax Code, is amended to read as follows:

Sec. 211.102. DAY ON WHICH PAYMENT IS DUE. Except as provided by Sections 211.103 and 211.104 [~~211.104(b)~~], payment of a tax imposed by Section 211.051, 211.052, or 211.053 [~~of this code~~] on a decedent's estate is due nine months after the day of the decedent's death.

SECTION __.06. Section 211.103, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) The personal representative of an estate that is subject to a tax imposed by this chapter but that is not subject to the federal tax may request an extension of time under Section 111.057 for filing a report required by this chapter.

SECTION __.07. Section 211.104, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) This section applies only to an estate that is subject to both the federal tax and the tax imposed by this chapter.

(a-1) Within 30 days after receiving notice or information of the final assessment and determination of the value of the taxable estate assessed and determined by the federal government for the purpose of fixing federal estate taxes on that estate, the personal representative shall make to the comptroller a report of the value of the estate as so fixed and determined. The report shall be made in a form and contain information as the comptroller directs.

SECTION __.08. Sections 211.105 and 211.106, Tax Code, are amended to read as follows:

Sec. 211.105. DATE DUE OF TAXES ON GENERATION-SKIPPING TRANSFERS. (a) The taxes imposed by this chapter on generation-skipping transfers that are subject to the federal tax are due and payable at the same time as the federal tax on generation-skipping transfers.

(b) The comptroller shall adopt rules specifying a due date for taxes imposed by this chapter on generation-skipping transfers that are not subject to the federal tax.

Sec. 211.106. RETURNS. A payment relating to an estate that is subject to the federal tax must [~~shall~~] be accompanied by a copy of the federal estate or generation-skipping transfer tax return

filed with the Internal Revenue Service and the Texas tax return containing any information the comptroller considers necessary for the enforcement of this chapter. A payment relating to an estate that is subject to the tax imposed by this chapter but is not subject to the federal tax must be accompanied by the Texas tax return. [~~In the event no federal estate or generation-skipping transfer tax has been paid or is due and no federal estate or generation-skipping transfer tax return must be filed, the filing of a Texas tax return is not required by this chapter.~~]

SECTION __.09. Section 211.301, Tax Code, is amended to read as follows:

Sec. 211.301. ALLOCATION OF REVENUE [~~GENERAL REVENUE FUND~~]. The revenue from a tax, interest, or penalty imposed by this chapter shall be deposited in the state treasury to the credit of the tax reimbursement program account established under Section 151.434 [~~general revenue fund~~].

SECTION __.10. The change in law made by this article to Chapter 211, Tax Code, applies only to a transfer of property subject to that chapter that occurs as a result of the death of a person on or after the effective date of this article. A transfer of property that occurs as a result of the death of a person before the effective date of this article is governed by the law in effect on the day of the person's death, and that law is continued in effect for that purpose.

SECTION __.11. This article takes effect September 1, 2005.

(2) In ARTICLE 5 of the bill, in the recital to SECTION 5A.03(a) (page 43, line 19), strike "Section 151.433" and substitute "Sections 151.433 and 151.434".

(3) In ARTICLE 5 of the bill, in added Section 151.433(b), Tax Code (page 43, line 34), strike "20" and substitute "40".

(4) In ARTICLE 5 of the bill, in added Section 151.433(g), Tax Code (page 44, lines 6 through 7), strike "\$100 million" and substitute "\$_____ million".

(5) In ARTICLE 5 of the bill, immediately following added Section 151.433, Tax Code (page 44, between lines 22 and 23), insert the following:

Sec. 151.434. TAX REIMBURSEMENT PROGRAM ACCOUNT. (a) The

tax reimbursement program account is an account in the general revenue fund that may be appropriated only to the Health and Human Services Commission for the purpose of providing reimbursements of estimated taxes under Section 151.433.

(b) At the end of each state fiscal biennium, the comptroller shall transfer any unexpended and unobligated balance remaining in the tax reimbursement program account to the foundation school fund.