

Amend **CSSB 1**, Article I, on Page I-25, Comptroller of Public Accounts, by adding a new rider as follows:

"18. Special Report on Effect of Certain Federal and State Tax Policies on Personal Income and Business. Not later than October 15, 2006, the Comptroller of Public Accounts shall submit a report to the governor and each member of the legislature providing an analysis by income level of the number of Texans who itemize their federal income taxes and the amount of state sales taxes deducted from federal income taxes by income level. Contingent upon passage of **HB 3** or similar legislation imposing new state taxes or expanding or reforming existing state taxes, the report also shall include the following: (1) a tax incidence analysis by income level on any increase in the sales tax rate, expansion in the sales tax base, and any repeal of an existing sales tax exemption or exclusion; (2) the total amount of business taxes collected under a reformed franchise tax and the total amount of business taxes collected under a payroll tax; and (3) a profile of the businesses paying a reformed franchise tax and a profile of the businesses paying a payroll tax by the number of employees, the amount of wages, the total amount of claimed credits, and the number and wages of employees over \$90,000.