

BILL ANALYSIS

C.S.H.B. 3282
By: McCall
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Cultural arts have a significant impact on the State of Texas and her economy. A recent study, commissioned by the Governor and executed by Ray Perryman, concluded that the arts have an extraordinary impact on the economy due to the billions of dollars in total expenditures, gross product and personal incomes, and the almost 2 million permanent jobs created.

C.S.H.B. 3282 would further encourage the promotion of art in Texas by allowing corporations to receive a franchise tax or a reformed franchise tax credit for donations of works art to a museum open to the public in Texas and that the museum intends to include in its permanent collection.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Comptroller of Public Accounts in SECTION 1 and SECTION 2 of this bill.

ANALYSIS

C.S.H.B. 3282 allows for a corporation or business to receive a franchise tax or a reformed franchise tax credit for donations of works of art to museums in Texas that are open to the public if the museum intends to include it in its permanent collection.

EFFECTIVE DATE

January 1, 2006

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute removes language from the original bill allowing credits for donations of money and allowing credits for donations to galleries or other collections. The substitute adds language that would limit the credit only to those works that the museum intends to include in its permanent collection and to museums located in Texas.

The substitute differs from the original by adding a new SECTION 2 if House Bill 3 of the 79th Legislature is enacted, becomes law, and adds Chapter 251 to the Tax Code that allows for a reformed franchise tax credit for businesses that donate art to art museums in Texas open to the public if the museum intends to include it in its permanent collection.