

BILL ANALYSIS

H.B. 773
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Juvenile Justice & Family Issues
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current child support guidelines in use today, typically generate awards that are much higher than would be if based on economically sound cost concepts and with an equal duty of support for both parents.

These guidelines do not conform to equitable standard of living outcomes. Specifically, current guidelines have presumptive awards that exceed child costs to such an extent that in many cases where the custodial parent has significantly lower gross income than the non-custodial parent, the custodial parent still receives a significantly higher standard of living than the non-custodial parent.

In other cases where the custodial parent has significantly higher gross income than the non-custodial parent, the presumptive award boosts the custodial parent's relative standard of living rather than narrowing it.

Moreover, child-related tax benefits typically equal an extra \$100 per month in extra after-tax income per child. These benefits include head of household tax payer status, child dependency exemptions, child tax credits, additional child tax credits, child care tax credits, and higher earned income credits for low-income working custodial parents.

These child-related tax benefits should be cost offsets shared by both parents, however, Texas only allows the custodial parent to enjoy these cost offsets.

H.B.773 provides that before a court enters an order of support, it must consider the financial resources available to each parent of the child.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Section 1. Amends Section 154.122 of the Family Code by providing that before a court enters an order of support conforming to the guidelines, a court must first determine whether the application of the guidelines would be unjust or inappropriate under the circumstances. In making this determination, the court shall consider the financial resources available to each parent of the child and each other relevant factor, including the factors specified by Section 154.123(b).

Section 2. Prospective provisions.

Section 3. This Act takes effect September 1, 2007.

EFFECTIVE DATE

September 1, 2007.