

Amend Floor Amendment No. 30 by Y. Davis to CSHB 500 (page 85, prefiled amendments packet) by striking the text of the amendment and substituting the following:

SECTION _____. (a) Chapter 325, Government Code, is amended by adding Section 325.025 to read as follows:

Sec. 325.025. EVALUATION OF EXEMPTIONS FROM FRANCHISE TAX.

(a) The commission shall periodically evaluate each exemption provided by Chapter 171, Tax Code, from the tax imposed under that chapter to consider whether retaining the exemption is in the public's best interest.

(b) At each regular legislative session, the commission shall present to the governor and the legislature a report on the evaluation and recommendations it makes under Subsection (a).

(c) The commission shall conduct the evaluation required by Subsection (a) according to a schedule that the commission adopts. The schedule must provide for the commission to evaluate each tax exemption at an interval not to exceed six years. The commission shall provide the schedule to the governor and the legislature.

(d) The evaluation described by this section does not apply to a tax exemption that is:

(1) explicitly provided by the constitution of this state; or

(2) related to an item or service that this state is unable to tax under the United States Constitution or federal law.

(e) The Sunset Advisory Commission shall adopt a schedule for evaluating exemptions from the tax imposed under Chapter 171, Tax Code, as provided by Section 325.025, Government Code, as added by this section, on or before January 1, 2014.