

BILL ANALYSIS

C.S.H.J.R. 74
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, certain foods, bottled water, and medicines are statutorily exempt from taxation. However, because these exemptions are not constitutionally mandated, each legislative session brings the possibility that Texans will be required to pay taxes on items indispensable to their survival. C.S.H.J.R. 74 seeks to ensure that Texans will continue to save thousands of dollars each year on items that they need to survive by providing for a constitutional prohibition against taxing a food product for human consumption or a medicine that is not already taxed.

RULEMAKING AUTHORITY

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

ANALYSIS

C.S.H.J.R. 74 proposes an amendment to the Texas Constitution to prohibit the legislature from enacting a general law that would impose a state tax on the sale or use of a food product for human consumption or a medicine that was not subject to sales and use taxation on January 1, 2013. The resolution prohibits this provision from being construed in a manner that would result in prohibiting the state from entering into an interstate agreement to simplify the administration and collection of the state's sales and use tax. The resolution adds a temporary provision, set to expire December 31, 2015, making the portion of a general law enacted by the 83rd Legislature during the regular or a special session that violates the prohibition expire on January 1, 2015.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 5, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.J.R. 74 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Article VIII, Texas Constitution, is amended by adding Section 28 to read as follows:

Sec. 28. The legislature may not enact a general law that would impose a state tax on the sale or use of:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Article VIII, Texas Constitution, is amended by adding Section 28 to read as follows:

Sec. 28. (a) The legislature may not enact a general law that would impose a state tax on the sale or use of:

(1) food or a drink that was not subject to taxation under Chapter 151, Tax Code, on January 1, 2013; or

(2) a medicine that was not subject to taxation under Chapter 151, Tax Code, on January 1, 2013.

SECTION 2. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies to the constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, prohibiting the taxation of the sale or use of certain food, drinks, and medicine, and expires December 31, 2015.

(b) If the 83rd Legislature, during the regular or a special session, enacts a general law prohibited by Section 28, Article VIII, of this constitution, the portion of the general law that violates that section expires January 1, 2015.

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 5, 2013. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment prohibiting the taxation of the sale or use of certain food, drinks, and medicine."

(1) a food product for human consumption that was not subject to taxation under Chapter 151, Tax Code, on January 1, 2013; or

(2) a medicine that was not subject to taxation under Chapter 151, Tax Code, on January 1, 2013.

(b) This section may not be construed in a manner that would result in prohibiting the state from entering into an interstate agreement to simplify the administration and collection of the state's sales and use tax.

SECTION 2. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies to the constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, prohibiting the taxation of the sale or use of certain food and medicine and expires December 31, 2015.

(b) If the 83rd Legislature, during the regular or a special session, enacts a general law prohibited by Section 28, Article VIII, of this constitution, the portion of the general law that violates that section expires January 1, 2015.

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 5, 2013. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment prohibiting the imposition of a tax on the sale or use of certain food and medicine."