

BILL ANALYSIS

Senate Research Center
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S.B. 70
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law requires the comptroller of public accounts of the State of Texas (comptroller) to issue a biennial tax exemptions and tax incidence report prior to each regular session. In this report, the comptroller details the cost to the state of a variety of tax exemptions, projects the value of the exemptions going forward, and outlines the incidence of certain taxes and exemptions.

The Government Code currently requires that the report include an analysis of exemptions available under Texas' sales, franchise, gasoline, motor vehicles sales, school property taxes, and any other tax generating more than five percent of state tax revenue in the prior fiscal year. Additionally, the Government Code requires that the report include information on the incidence of the school property tax and any tax generating more than 2.5 percent of state tax revenue in the prior fiscal year.

Certain exemptions are so large that they reduce the value of the tax below the statutory thresholds for inclusion in the report. Further, because the same taxes are not always included in each report, it is not possible to review previous reports to gain context for current trends and projections.

As a means of making the report more representative of the entire universe of taxes and tax exemptions, S.B. 70 amends the Government Code to require the comptroller to include in the biennial tax exemption and tax incidence report any tax that, but for the value of the exemptions, would have met the statutory threshold for inclusion. Additionally, S.B. 70 requires that the report include an analysis of any tax that was included in a previous version of the report.

As proposed, S.B. 70 amends current law relating to reports issued by the comptroller on the effect of certain tax provisions.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 403.014(a), Government Code, as follows:

(a) Requires the comptroller of public accounts of the State of Texas (comptroller) to report before each regular session of the legislature to the legislature and the governor on the effect, if it is possible to assess, of exemptions, discounts, exclusions, special valuations, special accounting treatments, special rates, and special methods of reporting relating to:

(1)-(4) Makes no change to these subdivisions;

(5) any other state tax previously included in a report under this section, if that tax still exists; and

(6) any other tax that generated more than five percent of state tax revenue in the prior fiscal year or that would have generated more than five percent of state tax revenue in the prior fiscal year in the absence of all exemptions, discounts, exclusions, special valuations, special accounting treatments, special rates, and special methods of reporting relating to the tax.

SECTION 2. Amends Section 403.0141(a), Government Code, as follows:

(a) Requires the comptroller to report to the legislature and the governor, before each regular session of the legislature, on the overall incidence of the school district property tax, any state tax that generated, rather than any state tax generating more than 2.5 percent of the state tax revenue in the prior fiscal year, any state tax that would have generated more than 2.5 percent of state tax revenue in the prior fiscal year in the absence of all exemptions, discounts, exclusions, special valuations, special accounting treatments, special rates, and special methods of reporting relating to the tax, and any other state tax previously included in a report under this section, if that tax still exists. Requires that the analysis report on the distribution of the tax burden for the taxes included in the report.

SECTION 3. Effective date: September 1, 2015.