

## **BILL ANALYSIS**

Senate Research Center  
84R7744 CBH-F

S.B. 752  
By: Bettencourt  
Finance  
2/26/2015  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 752 repeals both the state inheritance tax and the tax on combative sports events. The inheritance tax has not been collected in Texas in almost 10 years. The tax was originally structured to be equal to the federal estate tax credit for estate taxes collected by the states. However, in the past decade revisions to the federal estate tax have eliminated the credit for state taxes, so the Texas estate tax collections have dropped off to zero. Repealing the tax now will eliminate the possibility of it being resurrected in the future.

The combative sports admission tax is administered by the Texas Department of Licensing and Regulation. Combative sports include boxing, kickboxing, and mixed martial arts. A three percent gross receipts tax is imposed on the ticket sales revenue plus any pay per view revenue for a combative sports event held in the state, with a minimum tax of \$30,000 per event.

The Office of the Comptroller of Public Accounts of the State of Texas estimates that S.B. 752 will cost the state \$1,202,000 in revenue for the 2016-2017 biennium, with almost all of the revenue loss coming from the repeal of the tax on combative sports events.

As proposed, S.B. 752 amends current law relating to the repeal of the inheritance tax and the tax on combative sports events.

### **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. Repealers: Sections 2052.151 (Imposition and Rate of Tax) and 2052.152 (Tax Report and Payment), Occupations Code;

Repealer: the heading to Subchapter D (Gross Receipts Tax), Chapter 2052, Occupations Code; and

Repealer: Chapter 211 (Inheritance Taxes), Tax Code.

SECTION 2. Amends Section 124.001(3), Estates Code, by redefining "estate tax."

SECTION 3. Amends Section 2052.102(b), Occupations Code, to require that a promoter license application be accompanied by a license fee in an amount set by the Texas Commission of Licensing and Regulation, and a surety bond subject to approval by the executive director, rather than a surety bond conditioned on the applicant's payment of the tax imposed under Section 2052.151, and makes nonsubstantive changes.

SECTION 4. Transfers Section 2052.153, Occupations Code, to Subchapter C, Chapter 2052, Occupations Code, redesignates it as Section 2052.1135, Occupations Code, and amends it, as follows:

Sec. 2052.1135. CLOSED CIRCUIT TELECAST. Redesignates Section 2052.153 as Section 2052.1135. Requires a person exhibiting a simultaneous telecast of a live, spontaneous, or current combative sports event on a closed circuit telecast that occurs in Texas in which a fee is charged for admission to the exhibition to be a promoter and obtain a permit for each telecast exhibited, rather than be a promoter, obtain a permit for each telecast exhibited, and comply with the tax provisions of Sections 2052.151 and 2052.152. Makes nonsubstantive changes.

SECTION 5. Makes application of this Act prospective.

SECTION 6. Effective date: September 1, 2015.