

By: Bonnen of Brazoria, Martinez Fischer,
Parker, Krause, Oliveira, et al.

H.B. No. 31

A BILL TO BE ENTITLED

AN ACT

relating to decreasing the state sales and use tax rate.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 151.051(b), Tax Code, is amended to read as follows:

(b) The sales tax rate is the lower of 5.95 [6-1/4] percent of the sales price of the taxable item sold or the rate adopted under Section 151.0511.

SECTION 2. Subchapter C, Chapter 151, Tax Code, is amended by adding Section 151.0511 to read as follows:

Sec. 151.0511. COMPTROLLER TAX RATE ADJUSTMENT. (a) On the date the comptroller makes the transfer of any unencumbered positive balance of general revenues from a preceding biennium to the economic stabilization fund as described by Section 49-g(b), Article III, Texas Constitution, the comptroller shall:

(1) identify an amount of money equal to 25 percent of those unencumbered general revenues that are not transferred under that subsection;

(2) estimate the amount of revenue attributable to the taxes imposed under Sections 151.051 and 151.101 that would be received by the comptroller during the current state fiscal biennium if the taxes were imposed at the rate in effect on the date the estimate is made; and

(3) subtract the amount of money identified under

1 Subdivision (1) from the amount of revenue estimated under
2 Subdivision (2).

3 (b) If the amount of money determined under Subsection
4 (a)(3) is greater than zero, the comptroller shall determine the
5 rate for purposes of Sections 151.051 and 151.101 that, if applied
6 beginning January 1 of the current state fiscal biennium, is
7 estimated to generate the amount of money determined by the
8 comptroller under Subsection (a)(3) for that biennium.

9 (c) Not later than December 15 of each odd-numbered year,
10 the comptroller shall:

11 (1) adopt the adjusted tax rate determined under
12 Subsection (b), rounded to the nearest thousandth;

13 (2) publish notice of the adjusted tax rate in the
14 Texas Register; and

15 (3) provide any other notice relating to the adjusted
16 tax rate that the comptroller considers appropriate.

17 (d) The adjusted tax rate adopted by the comptroller under
18 this section is effective on January 1 of the even-numbered year
19 following the date the rate is adopted.

20 (e) In a state fiscal year in which the amount of money
21 determined under Subsection (a)(3) is zero or less, the comptroller
22 shall adopt an adjusted tax rate of zero percent.

23 (f) An action taken by the comptroller under this section is
24 final and may not be appealed.

25 (g) The comptroller shall adopt rules to implement this
26 section.

27 SECTION 3. The comptroller of public accounts shall study

1 and report to the legislature on the impact of this Act on the rate
2 of the state sales and use tax and what further reductions in the
3 rate of the state sales and use tax may be made following a review of
4 existing exemptions from the state sales and use tax. The
5 comptroller shall provide the report to the legislature not later
6 than December 31, 2016.

7 SECTION 4. The change in law made by this Act does not
8 affect tax liability accruing before the effective date of this
9 Act. That liability continues in effect as if this Act had not been
10 enacted, and the former law is continued in effect for the
11 collection of taxes due and for civil and criminal enforcement of
12 the liability for those taxes.

13 SECTION 5. This Act takes effect January 1, 2016.