

By: Leach

H.B. No. 2307

A BILL TO BE ENTITLED

AN ACT

relating to the allocation of certain surplus state revenue for periodic reductions in the state sales tax rate.

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

SECTION 1. Subchapter G, Chapter 403, Government Code, is amended by adding Section 403.108 to read as follows:

Sec. 403.108. SALES TAX REDUCTION FUND. (a) The sales tax reduction fund is a special fund in the state treasury outside the general revenue fund. The comptroller shall administer the fund. The fund consists of:

(1) money transferred to the fund in accordance with Subsection (b);

(2) money deposited to the credit of the fund in accordance with Subsection (c); and

(3) interest earned on money in the fund.

(b) The comptroller shall transfer money to the fund as directed by the legislature in the General Appropriations Act or by other law.

(c) The comptroller shall deposit to the credit of the fund money that would be transferred to the economic stabilization fund under Subsections (b), (c), (d), and (e), Section 49-g, Article III, Texas Constitution, on the transfer dates described by Subsections (b) and (c) of that section, but for the limitation prescribed by Subsection (g) of that section.

1 (d) Money in the fund may be used only for a state sales tax
2 reduction period under Section 151.051, Tax Code, and is not
3 subject to appropriation unless transferred to the general revenue
4 fund, or an account in the general revenue fund, as provided by that
5 section.

6 SECTION 2. Section 151.051, Tax Code, is amended to read as
7 follows:

8 Sec. 151.051. SALES TAX IMPOSED. (a) A tax is imposed on
9 each sale of a taxable item in this state at a rate determined by the
10 comptroller as provided by this section.

11 (b) Except as provided by this section, the [The] sales tax
12 rate is 6-1/4 percent of the sales price of the taxable item sold.

13 (c) Not later than the 90th day of each state fiscal year,
14 the comptroller shall determine whether there are sufficient
15 balances in the sales tax reduction fund so that 95 percent of the
16 balances would equal or exceed the amount necessary to reimburse
17 the general revenue fund for the estimated amount of state sales tax
18 revenue the state would forgo if the state sales tax rate were
19 reduced by at least one-tenth of one percent for a period of not
20 less than two consecutive days.

21 (d) If the comptroller determines under Subsection (c) that
22 95 percent of the balances in the sales tax reduction fund would
23 support a reduction in the state sales tax rate for at least the
24 period described by Subsection (c), the comptroller shall declare a
25 reduced sales tax rate. The comptroller shall determine the length
26 of the period during which the sales tax rate will be reduced, and
27 the reduced sales tax rate for that period, in a manner that

1 provides for the greatest reduction in the sales tax rate for the
2 longest period of time possible given the comptroller's
3 determination of the fund's available balance under Subsection (c).
4 The reduced sales tax rate must be a rate that is a whole-number
5 multiple of one-tenth of one percent lower than the tax rate
6 otherwise provided by Subsection (b) and must take effect on the
7 first day of a calendar quarter.

8 (e) The comptroller shall publish notice of the reduced
9 state sales tax rate and the period during which the sales tax rate
10 is reduced in the Texas Register, shall mail notice of the reduced
11 sales tax rate to each permit holder, and may provide notice by
12 other means the comptroller determines prudent.

13 (f) On the day after the last day of the period for which the
14 state sales tax rate is reduced under this section, the comptroller
15 shall calculate the positive difference between the estimated state
16 sales tax revenue anticipated to be collected during the period for
17 which the sales tax rate is reduced and the estimated state sales
18 tax revenue that would be collected during the same period if the
19 sales tax rate were not reduced during that period. Except as
20 provided by Subsection (g), the comptroller shall transfer from the
21 sales tax reduction fund to the general revenue fund an amount of
22 money equal to the amount calculated as provided by this
23 subsection.

24 (g) Before making the transfer required by Subsection (f),
25 the comptroller shall determine what portion of the amount of money
26 calculated as provided by that subsection would have been deposited
27 to the credit of a dedicated account in the general revenue fund

1 under the constitution of this state or general law in effect on
2 January 1, 2015, had the state sales tax rate not been reduced under
3 Subsection (d). The comptroller shall deposit to the credit of each
4 of those dedicated accounts the amount of money that would have been
5 deposited to the account had the sales tax rate not been reduced.

6 (h) The comptroller shall adopt rules to implement this
7 section.

8 SECTION 3. This Act takes effect September 1, 2015.