

By: Bonnen of Brazoria

H.B. No. 3486

A BILL TO BE ENTITLED

AN ACT

relating to ad valorem and certain state taxes; decreasing certain state tax rates.

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

ARTICLE 1. AD VALOREM TAXATION PROVISIONS

SECTION 1.01. Section 140.010(f), Local Government Code, is amended to read as follows:

(f) A county or municipality shall:

(1) provide the notice required by Subsection (d) or (e), as applicable, not later than the later of September 1 or the 30th day after the date the certified appraisal roll is received by the taxing unit by:

(A) publishing the notice in a newspaper having general circulation in:

(i) the county, in the case of notice published by a county; or

(ii) the county in which the municipality is located or primarily located, in the case of notice published by a municipality; or

(B) mailing the notice to each property owner in:

(i) the county, in the case of notice provided by a county; or

(ii) the municipality, in the case of notice provided by a municipality; and

1           (2) post the notice on the Internet website of the  
2 county or municipality, if applicable, beginning not later than the  
3 later of September 1 or the 30th day after the date the certified  
4 appraisal roll is received by the taxing unit and continuing until  
5 the county or municipality adopts a tax rate.

6           SECTION 1.02. Section 11.131(c), Tax Code, is amended to  
7 read as follows:

8           (c) The surviving spouse of a disabled veteran who qualified  
9 for an exemption under Subsection (b) when the disabled veteran  
10 died, or of a disabled veteran who would have qualified for an  
11 exemption under that subsection if that subsection had been in  
12 effect on the date the disabled veteran died, is entitled to an  
13 exemption from taxation of the total appraised value of the same  
14 property to which the disabled veteran's exemption applied, or to  
15 which the disabled veteran's exemption would have applied if the  
16 exemption had been authorized on the date the disabled veteran  
17 died, if:

18           (1) the surviving spouse has not remarried since the  
19 death of the disabled veteran; and

20           (2) the property:

21           (A) was the residence homestead of the surviving  
22 spouse when the disabled veteran died; and

23           (B) remains the residence homestead of the  
24 surviving spouse.

25           SECTION 1.03. This article applies only to an ad valorem tax  
26 year that begins on or after January 1, 2016.

27           SECTION 1.04. Section 11.131(c), Tax Code, as amended by

1 this article, takes effect January 1, 2016, but only if a  
2 constitutional amendment proposed by the 84th Legislature, Regular  
3 Session, 2015, authorizing the legislature to provide for an  
4 exemption from ad valorem taxation of all or part of the market  
5 value of the residence homestead of the surviving spouse of a 100  
6 percent or totally disabled veteran who died before the law  
7 authorizing a residence homestead exemption for such a veteran took  
8 effect is approved by the voters. If a constitutional amendment  
9 providing that authorization to the legislature is not approved by  
10 the voters, Section 11.131(c), Tax Code, as amended by this  
11 article, has no effect.

12 ARTICLE 2. STATE TAXATION PROVISIONS

13 SECTION 2.01. Section 111.0626(a), Tax Code, is amended to  
14 read as follows:

15 (a) The comptroller by rule shall require electronic filing  
16 of:

17 (1) a report required under Chapter 151, 201, or 202,  
18 or an international fuel tax agreement, for a taxpayer who is also  
19 required under Section 111.0625 to transfer payments by electronic  
20 funds transfer; and

21 (2) a report required under Section 171.204.

22 SECTION 2.02. (a) Section 151.0101(a), Tax Code, is  
23 amended to read as follows:

24 (a) "Taxable services" means:

- 25 (1) amusement services;  
26 (2) cable television services;  
27 (3) personal services;

- 1           (4) motor vehicle parking and storage services;
- 2           (5) the repair, remodeling, maintenance, and  
3 restoration of tangible personal property, except:
- 4           (A) aircraft;
- 5           (B) a ship, boat, or other vessel, other than:
- 6           (i) a taxable boat or motor as defined by  
7 Section 160.001;
- 8           (ii) a sports fishing boat; or
- 9           (iii) any other vessel used for pleasure;
- 10          (C) the repair, maintenance, and restoration of a  
11 motor vehicle; and
- 12          (D) the repair, maintenance, creation, and  
13 restoration of a computer program, including its development and  
14 modification, not sold by the person performing the repair,  
15 maintenance, creation, or restoration service;
- 16          (6) telecommunications services;
- 17          (7) credit reporting services;
- 18          (8) debt collection services;
- 19          (9) insurance services;
- 20          (10) information services;
- 21          (11) real property services;
- 22          (12) data processing services;
- 23          (13) real property repair and remodeling;
- 24          (14) security services;
- 25          (15) telephone answering services;
- 26          (16) Internet access service; ~~and~~
- 27          (17) a sale by a transmission and distribution

1 utility, as defined in Section 31.002, Utilities Code, of  
2 transmission or delivery of service directly to an electricity  
3 end-use customer whose consumption of electricity is subject to  
4 taxation under this chapter; and

5 (18) ticket scalping.

6 (b) This section takes effect September 1, 2015.

7 SECTION 2.03. Section 151.051(b), Tax Code, is amended to  
8 read as follows:

9 (b) The sales tax rate is 6.24 [~~6-1/4~~] percent of the sales  
10 price of the taxable item sold.

11 SECTION 2.04. (a) Section 151.202, Tax Code, is amended by  
12 adding Subsection (c) to read as follows:

13 (c) An application that is filed electronically complies  
14 with the signature requirement under Subsection (b).

15 (b) This section takes effect September 1, 2015.

16 SECTION 2.05. Sections 171.002(a) and (b), Tax Code, are  
17 amended to read as follows:

18 (a) Subject to Sections 171.003 and 171.1016 and except as  
19 provided by Subsection (b), the rate of the franchise tax is 0.95  
20 [~~one~~] percent of taxable margin.

21 (b) Subject to Sections 171.003 and 171.1016, the rate of  
22 the franchise tax is 0.475 [~~0.5~~] percent of taxable margin for those  
23 taxable entities primarily engaged in retail or wholesale trade.

24 SECTION 2.06. The changes in law made by this article to  
25 Sections 151.0101(a) and 151.202, Tax Code, do not affect tax  
26 liability accruing before September 1, 2015. That liability  
27 continues in effect as if this Act had not been enacted, and the

1 former law is continued in effect for the collection of taxes due  
2 and for civil and criminal enforcement of the liability for those  
3 taxes.

4 SECTION 2.07. The changes in law made by this article to  
5 Chapter 171, Tax Code, apply only to a report originally due on or  
6 after January 1, 2016.

7 SECTION 2.08. (a) The comptroller of public accounts shall  
8 conduct a comprehensive study that:

9 (1) analyzes and compares:

10 (A) the feasibility of implementing alternative  
11 methods to the franchise tax imposed under Chapter 171, Tax Code, by  
12 which revenue may be generated to address the needs of this state;  
13 and

14 (B) the effectiveness of each of those methods in  
15 generating sufficient revenue to address those needs; and

16 (2) prioritizes the revenue needs of this state and  
17 identifies potential reductions in expenditures by this state.

18 (b) The comptroller of public accounts shall consider the  
19 funding priorities and requirements established by the Texas  
20 Constitution in prioritizing the revenue needs of this state as  
21 required by Subsection (a)(2) of this section.

22 (c) This section takes effect September 1, 2015.

23 ARTICLE 3. EFFECTIVE DATE

24 SECTION 3.01. Except as otherwise provided by this Act,  
25 this Act takes effect January 1, 2016.