

By: Hughes

H.B. No. 3626

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.

(b) 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. Interest earned on money in the fund is credited to the fund.

(c) Money in the fund may be used only for a state sales tax reduction period under Section 151.051, Tax Code, and is not subject to appropriation unless transferred to the general revenue fund as provided by that section.

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

Sec. 151.051. SALES TAX IMPOSED. (a) A tax is imposed on each sale of a taxable item in this state at a rate determined by the

1 comptroller as provided by this section.

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

4 (c) Not later than August 1 of each odd-numbered year, the  
5 comptroller shall determine whether there are sufficient balances  
6 in the sales tax reduction fund so that 90 percent of the balances  
7 would equal or exceed the amount necessary to reimburse the general  
8 revenue fund for the estimated amount of state sales tax revenue the  
9 state would forgo if the state sales tax rate were reduced by at  
10 least one-tenth of one percent during the last calendar quarter of  
11 the state fiscal biennium beginning September 1 of that year.

12 (d) If the comptroller determines under Subsection (c) that  
13 90 percent of the balances in the sales tax reduction fund would  
14 support a reduction in the state sales tax rate for the period  
15 described by Subsection (c), the comptroller shall declare a  
16 reduced sales tax rate for that period. The comptroller shall  
17 determine the reduced sales tax rate for that period. The reduced  
18 rate must be a rate that is a whole-number multiple of one-tenth of  
19 one percent lower than the rate otherwise provided by Subsection  
20 (b).

21 (e) The comptroller shall publish notice of the reduced rate  
22 and the calendar quarter for which the rate is reduced in the Texas  
23 Register, shall mail notice of the reduced rate to each permit  
24 holder, and may provide notice by other means the comptroller  
25 determines prudent.

26 (f) On the day after the last day of the period for which the  
27 state sales tax rate is reduced under this section, the comptroller

1 shall calculate the positive difference between the estimated state  
2 sales tax revenue anticipated to be collected during the period for  
3 which the sales tax rate is reduced and the estimated state sales  
4 tax revenue that would be collected during the same period if the  
5 sales tax rate were not reduced during that period. Except as  
6 provided by Subsection (g), the comptroller shall transfer from the  
7 sales tax reduction fund to the general revenue fund an amount of  
8 money equal to the amount calculated as provided by this  
9 subsection.

10 (g) Before making the transfer required by Subsection (f),  
11 the comptroller shall determine what portion of the amount of money  
12 calculated as provided by that section would have been deposited to  
13 the credit of a dedicated account in the general revenue fund under  
14 the constitution of this state or general law in effect on January  
15 1, 2015, had the sales tax rate not been reduced under Subsection  
16 (d). The comptroller shall deposit to the credit of each of those  
17 dedicated accounts the amount of money that would have been  
18 deposited to the account had the sales tax rate not been reduced.

19 (h) The comptroller shall make the determination required  
20 by Subsection (c) according to available statistical data  
21 indicating the estimated amounts to be deposited to the credit of  
22 the sales tax reduction fund under Section 403.108, Government  
23 Code. The comptroller may require taxpayers or other entities that  
24 remit taxes to the comptroller to report to the comptroller  
25 additional information necessary to make the determination under  
26 Subsection (c).

27 (i) The comptroller shall adopt rules to implement this

1 section.

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