

By: White

H.B. No. 358

A BILL TO BE ENTITLED

AN ACT

1
2 relating to supporting public education funding through an increase
3 in the state sales and use tax rate and requiring a reduction in
4 school district maintenance and operation ad valorem taxes; making
5 an appropriation; increasing the rate of a tax.

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

7 SECTION 1. Section [151.051](#)(b), Tax Code, is amended to read
8 as follows:

9 (b) The sales tax rate is 7.25 [~~6-1/4~~] percent of the sales
10 price of the taxable item sold.

11 SECTION 2. Subchapter M, Chapter [151](#), Tax Code, is amended
12 by adding Section 151.803 to read as follows:

13 Sec. 151.803. ALLOCATION OF CERTAIN REVENUE TO SCHOOL
14 DISTRICT PROPERTY TAX REDUCTION. Notwithstanding Section [151.801](#),
15 the comptroller shall deposit an amount of revenue equal to the
16 proceeds derived from the collection of taxes imposed by this
17 chapter attributable to the portion of the tax rate in excess of
18 6.25 percent of the sales price of the taxable item sold to the
19 credit of an account in the general revenue fund. Money credited to
20 the account may be appropriated only to the Texas Education Agency
21 for use by the commissioner of education to provide property tax
22 relief by reducing the state compression percentage under Section
23 [42.2516](#), Education Code.

24 SECTION 3. For the state fiscal year beginning September 1,

1 2018, all money credited to the account created under Section
2 151.803, Tax Code, as added by this Act, preceding or during that
3 year is appropriated from that account to the Texas Education
4 Agency to be used by the commissioner of education to reduce the
5 state compression percentage, as defined by Section [42.2516\(a\)](#),
6 Education Code, to the lowest percentage possible for the 2018-2019
7 school year.

8 SECTION 4. The change in law made by this Act does not
9 affect taxes imposed before the effective date of this Act, and the
10 law in effect before that date is continued in effect for purposes
11 of the liability for and collection of those taxes.

12 SECTION 5. This Act takes effect January 1, 2018.