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| BILL ANALYSIS |

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| H.B. 3992 |
| By: Murphy |
| Agriculture & Livestock |
| Committee Report (Unamended) |

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| **BACKGROUND AND PURPOSE**  Interested parties note the need to clarify in statute that a certain type of agricultural cooperative is exempt from the franchise tax. H.B. 3992 seeks to provide such clarification. |
| **CRIMINAL JUSTICE IMPACT**  It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY**  It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution. |
| **ANALYSIS**  H.B. 3992 amends the Tax Code to clarify that a cooperative whose single member is a farmers' cooperative described under certain provisions of the federal Internal Revenue Code that has at least 500 farmer-fruit grower members is a cooperative exempted from the franchise tax. |
| **EFFECTIVE DATE**  On passage, or, if the bill does not receive the necessary vote, September 1, 2017. |