

By: Metcalf

H.B. No. 538

A BILL TO BE ENTITLED

AN ACT

relating to the use of certain surplus state revenue to provide for a rebate of state franchise taxes.

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

SECTION 1. Chapter 171, Tax Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. SURPLUS REVENUE: REBATE OF FRANCHISE TAXES

Sec. 171.551. ISSUANCE OF INDIVIDUAL REBATES. (a) Not later than the 180th day of each state fiscal biennium, the comptroller shall issue to each payer of the franchise tax during the previous state fiscal biennium a rebate as provided by this section if the comptroller has determined under Subsection (a), Section 49-g-1, Article III, Texas Constitution, that there remains an unencumbered positive balance of general revenues from the preceding state fiscal biennium.

(b) The comptroller shall compute for each payer of the franchise tax during the preceding state fiscal biennium the fractional share of the franchise taxes to be rebated by dividing that franchise tax payer's total franchise taxes paid during the preceding state fiscal biennium by the total of all franchise taxes paid under this chapter during that preceding state fiscal biennium.

(c) The comptroller shall issue to each payer of the franchise tax during the preceding state fiscal biennium a rebate

1 of franchise taxes paid in an amount equal to the fraction
2 determined for that payer under Subsection (b) multiplied by the
3 total amount of rebates to be issued under Subsection (b)(1),
4 Section 49-g-1, Article III, Texas Constitution.

5 (d) The comptroller may issue a payer's rebate by warrant or
6 by electronic funds transfer, as provided by rules of the
7 comptroller.

8 SECTION 2. Subchapter K, Chapter 171, Tax Code, as added by
9 this Act, applies beginning with the state fiscal biennium
10 beginning September 1, 2019.

11 SECTION 3. This Act takes effect on the date on which the
12 constitutional amendment proposed by the 85th Legislature, Regular
13 Session, 2017, concerning the use of unencumbered surplus state
14 revenues to provide for a rebate of state franchise taxes takes
15 effect. If that amendment is not approved by the voters, this Act
16 has no effect.