86R11514 CJC/KJE-D

By:  Sanford H.B. No. 3427

A BILL TO BE ENTITLED

AN ACT

relating to an increase in the state sales and use tax rate for the purpose of reducing school district maintenance and operations ad valorem taxes; increasing the rate of a tax.

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

SECTION 1.  Section 151.051(b), Tax Code, is amended to read as follows:

(b)  The sales tax rate is 6.5 [~~6-1/4~~] percent of the sales price of the taxable item sold.

SECTION 2.  Subchapter M, Chapter 151, Tax Code, is amended by adding Section 151.803 to read as follows:

Sec. 151.803.  ALLOCATION OF CERTAIN REVENUE TO SCHOOL DISTRICT PROPERTY TAX REDUCTION. Notwithstanding Section 151.801, the comptroller shall deposit an amount of revenue equal to the proceeds derived from the collection of taxes imposed by this chapter attributable to the portion of the tax rate in excess of 6.25 percent of the sales price of the taxable item sold to the credit of the property tax relief fund. Money credited to the fund under this section may be appropriated only to the Texas Education Agency for use in providing property tax relief through reduction of the state compression percentage, as defined by Section 42.2516(a), Education Code.

SECTION 3.  This Act takes effect October 1, 2019.