86R29881 SRA-F

By:  Huberty H.B. No. 4621

Substitute the following for H.B. No. 4621:

By:  Murphy C.S.H.B. No. 4621

A BILL TO BE ENTITLED

AN ACT

relating to the state sales tax rate and the use of certain revenue from state sales and use taxes to reduce school district maintenance and operations ad valorem tax rates; 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 7.25 [~~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 151.804 to read as follows:

Sec. 151.804.  USE OF CERTAIN REVENUE FOR SCHOOL DISTRICT AD VALOREM TAX REDUCTION. An amount equal to the proceeds from the collection of taxes imposed by this chapter attributable to the portion of the tax rates in excess of 6.25 percent may be used only to provide property tax relief through reduction of the state compression percentage, as defined by Section 42.2516(a), Education Code.

SECTION 3.  The change in law made by this Act does not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 4.  This Act takes effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, to provide property tax relief by reducing school district maintenance and operations ad valorem tax rates and increasing the state sales and use tax rates is approved by the voters. If that proposed constitutional amendment is not approved by the voters, this Act has no effect.