

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

1 AN ACT

2 relating to the state sales tax rate and the use of certain revenue
3 from state sales and use taxes to reduce school district
4 maintenance and operations ad valorem tax rates; increasing the
5 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 151.804 to read as follows:

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

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

1 the liability for those taxes.

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