

By: Taylor

S.B. No. 2441

A BILL TO BE ENTITLED

AN ACT

1
2 Relating to increasing the state sales and use tax rate, and
3 requiring a reduction in school maintenance and operation ad
4 valorem taxes; making and appropriation; increasing the rate of a
5 tax.

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

7 SECTION 1. Section [42.2516](#)(a), Education Code, is amended
8 to read as follows:

9 (a) In this title, "state compression percentage" means the
10 percentage of a school district's adopted maintenance and
11 operations tax rate for the 2005 tax year that serves as the basis
12 for state funding. The Commissioner shall determine the state
13 compression percentage each year based on the percentage by which
14 districts' maintenance of operations tax rates can be lowered with
15 revenue collected under Section 151.803, Tax Code. [~~If the state~~
16 ~~compression percentage is not established by appropriation for a~~
17 ~~school year, the commissioner shall determine the state compression~~
18 ~~percentage for each school year based on the percentage by which a~~
19 ~~district is able to reduce the district's maintenance and~~
20 ~~operations tax rate for that year, as compared to the district's~~
21 ~~adopted maintenance and operations tax rate for the 2005 tax year,~~
22 ~~as a result of state funds appropriated for that year from the~~
23 ~~property tax relief fund established under Section [403.109](#),~~
24 ~~Government Code, or from another funding source available for~~

1 ~~school district property tax relief.]~~

2 SECTION 2. Section 151.051(b), Tax Code, is amended to read
3 as follows:

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

6 SECTION 3. Subchapter M, Chapter 151, Tax Code, is amended
7 by adding Section 151.803 to read as follows:

8 Sec. 151.803. ALLOCATION OF CERTAIN REVENUE TO SCHOOL
9 DISTRICT PROPERTY TAX REDUCTION. Notwithstanding Section 151.801,
10 the comptroller shall deposit an amount of revenue equal to the
11 proceeds derived from the collection of taxes imposed by this
12 chapter attributable to the portion of the tax rate in excess of
13 6.25 percent of the sales price of the taxable item sold to the
14 credit of an account in the foundation school fund. Money credited
15 to the account may be appropriated only to the Texas Education
16 Agency for use by the commissioner of education to provide property
17 tax relief by compressing property tax rates.

18 SECTION 4. For the state fiscal year beginning September 1,
19 2020, all money credited to the account created under Section
20 151.803, Tax Code, as added by this Act, preceding or during that
21 year is appropriated from that account to the Texas Education
22 Agency to be used by the commissioner of education to increase the
23 basic allotment, equalized wealth level, and guaranteed level under
24 Chapters 41 and 42, Education Code, and require the compression of
25 property tax rates.

26 SECTION 5. The change in law made by this Act does not
27 affect taxes imposed before the effective date of this Act, and the

1 law in effect before that date is continued in effect for purposes
2 of the liability for and collection of those taxes.

3 SECTION 6. This Act takes effect January 1, 2020, but only
4 if the constitutional amendment proposed by __J.R. No. __, 86th
5 Legislature, Regular Session, 2019, is approved by the voters. If
6 that amendment is not approved by the voters, this Act has no
7 effect.