87R12407 SMT-D

By:  Talarico H.B. No. 4453

A BILL TO BE ENTITLED

AN ACT

relating to imposing a state estate tax and using the revenue generated by the tax to provide payments to parents.

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

SECTION 1.  The heading to Subtitle J, Title 2, Tax Code, is amended to read as follows:

SUBTITLE J. ESTATE [~~INHERITANCE~~] TAX

SECTION 2.  Subtitle J, Title 2, Tax Code, is amended by adding Chapter 212 to read as follows:

CHAPTER 212. ESTATE TAX

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 212.0001.  DEFINITIONS. In this chapter:

(1)  "Internal Revenue Code" means the Internal Revenue Code of 1986 in effect on January 1, 2021, not including any changes made by federal law after that date, but including any regulations adopted under that code applicable to the tax year to which the provisions of the code in effect on that date applied.

(2)  "Taxable estate" has the meaning assigned by Section 2051, Internal Revenue Code, except that no deduction from the value of the gross estate is allowed for the amount of tax imposed by this chapter.

SUBCHAPTER B. DETERMINATION OF TAX DUE

Sec. 212.0051.  TAX ON DECEDENT'S ESTATE. (a) A tax is imposed on the estate of each person who dies while a resident of this state.

(b)  The rate of the tax is five percent of the value of the taxable estate.

SUBCHAPTER C. COLLECTION AND PAYMENT OF TAX; ENFORCEMENT

Sec. 212.0101.  ADMINISTRATION. The comptroller shall adopt rules to implement, administer, and enforce the tax under this chapter.

Sec. 212.0102.  PENALTIES. The comptroller may impose penalties to enforce this chapter.

SUBCHAPTER C. DISPOSITION OF REVENUE

Sec. 212.0151.  PAYMENTS TO PARENTS. (a) The amount of the proceeds from the collection of the tax imposed by this chapter shall be deposited to the credit of an account in the general revenue fund administered by the comptroller. Money in the account may be appropriated to the comptroller only for the purpose of providing payments under this section.

(b)  A person who gives birth to or adopts a child in this state is entitled to a one-time payment in an amount set by the comptroller if money is made available to the comptroller for that purpose. The comptroller shall set the amount of the initial payment authorized under this section in the amount of $1,000.

(c)  On January 1 of each year, the comptroller shall increase the amount of the payment authorized under this section by an amount equal to the amount of the payment authorized under this section in the preceding year multiplied by the percentage increase, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) published by the United States Bureau of Labor Statistics or its successor in function during the preceding calendar year.

(d)  The comptroller shall adopt rules for distributing the payments described by this section.

SECTION 3.  Chapter 212, Tax Code, as added by this Act, applies only to the estate of a person who dies while a resident of this state on or after the effective date of this Act.

SECTION 4.  This Act takes effect January 1, 2022.