

## **RESOLUTION ANALYSIS**

C.S.H.J.R. 132  
By: Hefner  
Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

There has been a growing movement across multiple states to impose state taxes based on net worth or wealth. Such an act by the legislature, if it chose to adopt the tax, would be constitutional and would impose a new type of tax on Texas residents without their input. C.S.H.J.R. 132 would allow the people of Texas to decide whether or not they want a direct say in the possibility of a net worth tax being imposed by the legislature.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this resolution does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.J.R. 132 proposes an amendment to the Texas Constitution to prohibit the legislature from imposing a tax on an individual's or business entity's net worth, defined as the amount computed by subtracting from the value of the individual's or entity's assets the value of the individual's or entity's liabilities. The resolution prohibits its provisions from being construed as prohibiting the imposition of a property tax on property or a general business tax measured by business activity.

### **ELECTION DATE**

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 7, 2023.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.J.R. 132 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the resolution.

Whereas the introduced prohibited the legislature from imposing a tax based on an individual's or family's wealth or net worth, the substitute prohibits the legislature from imposing a tax on an individual's or business entity's net worth. The substitute includes provisions that were not in the introduced prohibiting the resolution's provisions from being construed as prohibiting the imposition of a property tax or a general business tax.