

By: Dean

H.B. No. 103

A BILL TO BE ENTITLED

AN ACT

relating to a comprehensive review of taxable goods and services.

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

SECTION 1. The comptroller of public accounts shall conduct a comprehensive review of the state's sales and use tax structure under Chapter 151, Tax Code. The review shall include:

(1) An inventory of:

(a) All goods and services currently subject to sales and use tax under state law,

(b) All goods and services currently exempt from sales and use tax under state law,

(c) A comparison of the state's sales and use tax base to the sales tax structures of other states.

(2) Identification of goods and services not currently taxed under state law that are:

(a) Commonly taxed in other states,

(b) Growing or emerging sectors of the Texas economy,

(c) Potential for inclusion in future tax reform proposals.

(3) An economic and fiscal impact analysis of expanding sales and use tax base to include additional goods and services, including:

(a) Projected revenue gains under various expansion scenarios,

1 (b) Distributional effects on income groups and
2 geographic regions of the state,

3 (c) Potential impacts on small businesses,
4 Texas-based industries, consumer behavior, and the state's
5 economic competitiveness.

6 SECTION 2. REPORT TO THE LEGISLATURE. Not later than
7 December 1, 2026, the comptroller shall submit a written report to
8 the governor, lieutenant governor, speaker of the house, and
9 members of the legislature.

10 SECTION 3. This Act takes effect on the 91st day after the
11 end of the legislative session.