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| RESOLUTION ANALYSIS |

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| H.J.R. 2 |
| By: Geren |
| Ways & Means |
| Committee Report (Unamended) |

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| **BACKGROUND AND PURPOSE** Estate, inheritance, and death taxes and taxes on the transfer of an estate, inheritance, legacy, succession, or gift can be burdensome, disincentivize investment, and drive high-net-worth individuals out of Texas. Furthermore, such taxes could yield estate-planning and tax-avoidance strategies that are inefficient, not only for affected taxpayers but also for the economy at large. Although the Texas Legislature eliminated the state's inheritance tax in 2015, the Texas Constitution does not prohibit the future imposition of such a tax. H.J.R. 2 seeks to address these issues by explicitly prohibiting the legislature from imposing estate, inheritance, and death taxes and taxes on the transfer of an estate, inheritance, legacy, succession, or gift.  |
| **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** H.J.R. 2 proposes an amendment to the Texas Constitution to prohibit the legislature from doing the following:* imposing a state tax on the property of a deceased individual's estate because of the death of the individual, including an estate, inheritance, or death tax;
* imposing a state tax that was not in effect on January 1, 2025, on the transfer of an estate, inheritance, legacy, succession, or gift from an individual, family, estate, or trust to another individual, family, estate, or trust, including a tax on a generation-skipping transfer; or
* increasing the rate or expanding the applicability of such a state tax that was in effect on January 1, 2025, beyond the rate or applicability of the tax that was in effect on that date.

The resolution expressly does not prohibit the imposition or change in the rate or applicability of the following:* a general business tax measured by business activity;
* a tax on the production of minerals;
* a tax on the issuance of title insurance;
* a tax in existence on January 1, 2016;
* a tax applicable to the transfer of a motor vehicle by gift; or
* a tax on property.
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| **ELECTION DATE** The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 4, 2025. |