

BILL ANALYSIS

H.B. 3486
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee that Texas oyster farmers are facing challenges in competing with oysters imported from other states or regions, partially due to the higher costs associated with regulatory compliance and sustainable aquaculture practices. The bill author has further informed the committee that industry stakeholders and local restaurant owners are concerned about sustaining the state's cultivated oyster mariculture industry because of this financial burden. H.B. 3486 seeks to support Texas oyster farmers and encourage local sourcing by restaurants by establishing a tax incentive for food service establishments that purchase Texas farm-raised oysters by allowing them to deduct a portion of their sales and use tax liability.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill 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 rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

ANALYSIS

H.B. 3486 amends the Tax Code to establish a sales tax discount for a taxpayer that owns a food service establishment and purchases Texas farm-raised oysters to be prepared and served at the establishment. The bill authorizes such a taxpayer to deduct and withhold from the taxpayer's tax liability for a quarter or month for each applicable food service establishment for which a sales tax permit has been issued to the taxpayer the amount equal to \$5 for every 100 Texas farm-raised oysters purchased for preparation and service at the food service establishment during the quarter or month, as applicable.

H.B. 3486 authorizes the comptroller of public accounts to require such a taxpayer to provide any information the comptroller determines is reasonably necessary to determine the accuracy of the amount deducted and withheld by the taxpayer. The bill authorizes the comptroller to adopt rules necessary to implement and administer these provisions.

H.B. 3486 defines the following terms:

- "food service establishment" by reference to Health and Safety Code provisions governing the regulation of food service establishments, retail food stores, mobile food units, and roadside food vendors; and
- "Texas farm-raised oyster" as an oyster cultivated in the waters of Texas in accordance with all applicable state and federal regulations.

H.B. 3486 does not affect tax liability accruing before the bill's effective date. That liability continues in effect as if the bill had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

EFFECTIVE DATE

October 1, 2025.