

BILL ANALYSIS

Senate Research Center
89R31823 CJC-D

C.S.H.B. 3486
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Finance
5/21/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

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. Industry stakeholders and local restaurant owners are concerned about sustaining the state's cultivated oyster mariculture industry because of the financial burden.

H.B. 3486 supports Texas oyster farmers and encourages 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.

(Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 3486 amends current law relating to a deduction from the amount of taxable sales used to calculate the amount of sales and use taxes that the owners of restaurants that purchase Texas farm-raised oysters are required to remit to the comptroller of public accounts.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Comptroller of Public Accounts of the State of Texas in SECTION 1 (Section 151.433, Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter I, Chapter 151, Tax Code, by adding Section 151.433, as follows:

Sec. 151.433. DEDUCTION FOR CERTAIN TAXPAYERS PURCHASING TEXAS FARM-RAISED OYSTERS. (a) Defines "food service establishment" and "Texas farm-raised oyster."

(b) Authorizes a taxpayer to deduct from the taxpayer's taxable sales for a year, quarter, or month in which the sale is reported the amount determined under Subsection (c) if the taxpayer owns a food service establishment and purchases Texas farm-raised oysters to be prepared and served at the establishment.

(c) Authorizes a taxpayer to deduct from the taxpayer's taxable sales for a year, quarter, or month for each food service establishment for which a permit has been issued to the taxpayer under this chapter the amount equal to \$5 for every 100 Texas farm-raised oysters purchased for preparation and service at the food service establishment during the year, quarter, or month, as applicable.

(d) Authorizes the Comptroller of Public Accounts of the State of Texas (comptroller) to require a taxpayer to provide any information the comptroller determines is reasonably necessary to determine the accuracy of the amount deducted by the taxpayer under this section.

(e) Authorizes the comptroller to adopt rules necessary to implement and administer this section.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: October 1, 2025.