

## **BILL ANALYSIS**

Senate Research Center  
89R15039 CJC-F

H.B. 3487  
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Finance  
5/20/2025  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Oyster shell recycling plays a vital role in maintaining the marine ecosystems, since recycled oyster shells create reef habitats that improve water quality and promote oyster growth. However, participating in these programs imposes additional costs on food service establishments.

H.B. 3487 incentivizes restaurant participation in oyster shell recycling by providing a tax incentive to restaurants that participate by reducing the sales and use tax liability for these establishments.

H.B. 3487 amends current law relating to a reduction in the amount of sales and use tax collections that the owners of restaurants that participate in an oyster shell recycling program 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 151.4245, Tax Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter I, Chapter 151, Tax Code, by adding Section 151.4245, as follows:

Sec. 151.4245. DISCOUNT FOR CERTAIN TAXPAYERS PARTICIPATING IN OYSTER SHELL RECYCLING PROGRAM. (a) Defines "food service establishment" and "qualified oyster shell recycling program."

(b) Authorizes a taxpayer to deduct and withhold from the taxpayer's tax liability for a quarter or month in which a payment is made the amount determined under Subsection (c) if the taxpayer owns a food service establishment and participates in a qualified oyster shell recycling program.

(c) Authorizes a taxpayer to deduct and withhold from the taxpayer's tax liability for a quarter or month for each food service establishment for which a permit has been issued to the taxpayer under Chapter 151 (Limited Sales, Excise, and Use Tax) the amount equal to \$2 for each 50 pounds of oyster shells collected at the food service establishment and provided by the taxpayer to a project that recycles oyster shells as a result of the taxpayer's participation in a qualified oyster shell recycling program during the 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 and withheld by the taxpayer under this section.

(e) Authorizes the comptroller to adopt rules necessary to implement and administer this section, and consult with the Parks and Wildlife Department when adopting the rules.

SECTION 2. Provides that Section 151.4245, Tax Code, as added by this Act, does not affect tax liability accruing before October 1, 2025. Provides that that liability continues in effect as if Section 151.4245, Tax Code, 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.

SECTION 3. Effective date: October 1, 2025.