

BILL ANALYSIS

H.B. 3487
By: Hunter
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee that oyster shell recycling plays a vital role in maintaining marine ecosystems, since recycled oyster shells create reef habitats that improve water quality and promote oyster growth, but that participating in these programs imposes additional costs on food service establishments. H.B. 3487 seeks to incentivize restaurant participation in oyster shell recycling by providing a tax incentive to restaurants that participate through reducing sales and use tax liability for these establishments.

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. 3487 amends the Tax Code to authorize a taxpayer who owns a food service establishment and participates in a qualified oyster shell recycling program recognized by the comptroller of public accounts as such a program to deduct and withhold from the taxpayer's sales and use tax liability for a quarter or month the amount equal to \$2 for each 50 pounds of oyster shells collected at the establishment and provided by the taxpayer to a project that recycles oyster shells as a result of the taxpayer's participation in the program during the quarter or month, as applicable. The bill authorizes the taxpayer to deduct and withhold that amount for each food service establishment for which a sales tax permit has been issued to the taxpayer and defines "food service establishment" by reference to Health and Safety Code provisions relating to the regulation of food service establishments, retail food stores, mobile food units, and roadside food vendors.

H.B. 3487 authorizes the 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 a taxpayer under the bill's provisions. The bill authorizes the comptroller to adopt rules necessary to implement and administer those provisions and authorizes the comptroller to consult with the Parks and Wildlife Department when adopting such rules.

H.B. 3487 establishes that its provisions do not affect tax liability accruing before October 1, 2025. 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.