

BILL ANALYSIS

Senate Research Center
89R31825 CJC-F

C.S.H.B. 3487
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Finance
5/21/2025
Committee Report (Substituted)

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.

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

C.S.H.B. 3487 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 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 151.434, Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter I, Chapter 151, Tax Code, by adding Section 151.434, as follows:

Sec. 151.434. DEDUCTION 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 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 participates in a qualified oyster shell recycling program.

(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 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 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. Authorizes the comptroller to request the assistance of the Texas Parks and Wildlife Department (TPWD) in determining whether an oyster shell recycling program should be recognized as a

qualified oyster shell recycling program and consult with TPWD regarding other matters related to the implementation and administration of this section.

(e) Authorizes the comptroller to adopt rules necessary to implement and administer this section, and consult with TPWD and other relevant institutions and organizations when adopting the rules.

SECTION 2. Provides that the change in law made by this Act does not affect tax liability accruing before October 1, 2025. Provides that that liability continues in effect as if this Act 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.