

By: Rodríguez Ramos

H.B. No. 4908

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the establishment of the Texas prosperity payout fund;  
3 imposing taxes on the gross revenues of and consumption by certain  
4 industry participants; authorizing administrative penalties.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. This Act may be cited as the Texas Prosperity  
7 Payout Act.

8 SECTION 2. Chapter 403, Government Code, is amended by  
9 adding Subchapter V to read as follows:

10 SUBCHAPTER V. TEXAS PROSPERITY PAYOUT FUND

11 Sec. 403.701. FINDINGS AND PURPOSE. (a) The legislature  
12 finds that:

13 (1) emerging industries, including artificial  
14 intelligence and cryptocurrency mining, significantly impact this  
15 state's energy, infrastructure, and workforce resources;

16 (2) revenue generated by these industries has not been  
17 proportionately invested in the prosperity of the residents of this  
18 state; and

19 (3) a permanent fund dividend can promote economic  
20 stability, foster community resilience, and stimulate local  
21 economies when implemented within appropriate constitutional and  
22 fiscal parameters.

23 (b) The purpose of this subchapter is to establish a  
24 permanent fund dividend benefiting adult Texans through a

1 revenue-supported structure that complies with the requirements of  
2 Section 51, Article III, Texas Constitution, ensures fiscal  
3 sustainability and transparency, and adheres to all applicable  
4 constitutional provisions regarding the permissible uses of public  
5 funds.

6 Sec. 403.702. DEFINITIONS. In this subchapter:

7 (1) "Prosperity payout" means a payment made from the  
8 Texas prosperity payout fund under Section 403.704.

9 (2) "Eligible resident" means an individual who:

10 (A) is a United States citizen or a lawful  
11 permanent resident;

12 (B) is at least 18 years of age; and

13 (C) has resided in Texas for at least 12  
14 consecutive months, verified through the individual's  
15 government-issued identification or by applicable state records.

16 (3) "Fund" means the Texas prosperity payout fund  
17 created under this subchapter.

18 Sec. 403.703. TEXAS PROSPERITY PAYOUT FUND. (a) The Texas  
19 prosperity payout fund is created as a fund outside the state  
20 treasury with the comptroller.

21 (b) The fund consists of:

22 (1) money transferred or deposited to the credit of  
23 the fund by the constitution, general law, or the General  
24 Appropriations Act;

25 (2) revenue that the legislature by general law  
26 dedicates for deposit to the credit of the fund; and

27 (3) gifts, grants, and donations to the fund.

1       (c) The comptroller shall administer the fund and  
2 distribute prosperity payouts to eligible residents in the manner  
3 provided by Section 403.704.

4       (d) Notwithstanding any other law, money deposited to the  
5 credit of the fund is automatically appropriated to the comptroller  
6 for the purpose of making prosperity payouts and the comptroller  
7 may spend money in the fund without further legislative  
8 appropriation as necessary to carry out the purposes of this  
9 subchapter.

10       Sec. 403.704. PROSPERITY PAYOUT. (a) The comptroller  
11 shall issue a prosperity payout each month to each individual the  
12 comptroller verifies is an eligible resident using money in the  
13 fund. The amount of the prosperity payout to which each eligible  
14 resident is entitled in a month is equal to the total amount of  
15 money in the fund on the last day of the preceding month divided by  
16 the number of eligible residents receiving a prosperity payout in  
17 the applicable month.

18       (b) The comptroller shall adopt rules necessary to  
19 implement and administer this section, including protocols for  
20 verifying eligible residents and procedures for issuing prosperity  
21 payouts.

22       (c) The comptroller shall recommend to the legislature any  
23 adjustments to the rate of the taxes imposed under Chapter 210, Tax  
24 Code, necessary to ensure continued funding for prosperity payouts.

25       (d) Prosperity payouts to eligible residents under this  
26 subchapter are considered to be refunds of collected  
27 industry-specific tax revenue to the public and shall serve the

1 public purposes of promoting economic stability and public  
2 prosperity. As required by Section 51, Article III, Texas  
3 Constitution, the legislature finds that the payment of a  
4 prosperity payout is not gratuitous and is essential to mitigate  
5 the public calamity caused by the economic impacts from the taxed  
6 industries.

7 (e) The comptroller shall maintain a list of eligible  
8 residents and implement procedures to regularly cross-reference  
9 state vital statistics and residency records to identify and remove  
10 individuals who are deceased or who have relocated out of this state  
11 from the list of eligible residents. The comptroller must provide  
12 an individual identified for removal from the list written notice  
13 and provide the individual 30 days to appeal the comptroller's  
14 determination before suspending the issuance of prosperity payouts  
15 to the individual.

16 Sec. 403.705. TRANSPARENCY AND REPORTING. (a) Not later  
17 than December 31 of each state fiscal year, the comptroller shall  
18 prepare and issue a report to the lieutenant governor and the  
19 speaker of the house of representatives on the administration of  
20 the fund during that state fiscal year, including:

21 (1) the total amount of tax revenue collected under  
22 Chapter 210, Tax Code, organized by industry, and deposited to the  
23 credit of the fund;

24 (2) the total amount of money disbursed from the fund;  
25 and

26 (3) economic impact assessments of each of the taxes  
27 imposed by Chapter 210, Tax Code, and the prosperity payouts issued

1 under this subchapter with comparative metrics.

2 (b) The comptroller shall post the report prepared under  
3 Subsection (a) on the comptroller's Internet website.

4 (c) An economic impact assessment required under this  
5 section must be conducted by an independent third party using  
6 generally accepted economic forecasting models. The report must  
7 include baseline comparisons and anticipated long-term economic  
8 effects on different segments of the population.

9 Sec. 403.706. OVERSIGHT AND AUDITING. (a) The state  
10 auditor shall conduct an audit of the fund each calendar quarter to  
11 ensure the integrity of the fund.

12 (b) An independent oversight committee composed of at least  
13 seven members appointed by the governor shall annually review  
14 economic impact data included in the report submitted by the  
15 comptroller under Section 403.705. The members must include  
16 representatives from the Legislative Budget Board and the state  
17 auditor's office and at least three public members. A member of the  
18 committee:

19 (1) must opt out of receiving prosperity payouts in  
20 the manner provided by Section 403.707; and

21 (2) may not have a direct financial interest in an  
22 entity that is subject to a tax under Chapter 210, Tax Code.

23 Sec. 403.707. AUTOMATIC ENROLLMENT AND OPT OUT. (a) An  
24 eligible recipient is automatically enrolled with the comptroller  
25 to receive prosperity payouts.

26 (b) An individual who becomes an eligible recipient is  
27 automatically enrolled with the comptroller effective on the first

1 day of the month following the month in which the individual first  
2 meets the requirements of Section 403.702(2).

3 (c) An eligible recipient may opt out of receiving  
4 prosperity payouts at any time through procedures established by  
5 the comptroller. An eligible resident who opts out under this  
6 subsection may opt back in at any time without penalty or delay in  
7 payment other than standard processing times established by  
8 comptroller rules.

9 Sec. 403.708. FRAUD PREVENTION AND DISPUTE RESOLUTION;  
10 APPEAL. (a) The comptroller shall implement verification  
11 protocols to prevent fraudulent claims for prosperity payouts.

12 (b) An individual whom the comptroller determines is not an  
13 eligible recipient may file an appeal. An appeal is conducted  
14 before the State Office of Administrative Hearings. The appeal  
15 must be filed not later than the 30th day after the date of the  
16 comptroller's final determination of eligibility. The appellant  
17 bears the burden of proof to demonstrate that the appellant is an  
18 eligible recipient by a preponderance of the evidence.

19 (c) An appellant that faces an immediate financial hardship  
20 due to the appellant's inability to receive a prosperity payout may  
21 request an expedited review. The comptroller must issue a decision  
22 not later than the 10th business day after the date of the request.

23 SECTION 3. Title 2, Tax Code, is amended by adding Subtitle  
24 K to read as follows:

1                   SUBTITLE K. INDUSTRY-SPECIFIC TAXES

2                   CHAPTER 210. TAX ON INDUSTRY REVENUE AND CONSUMPTION

3                   SUBCHAPTER A. GENERAL PROVISIONS

4                   Sec. 210.001. DEFINITIONS. In this chapter:

5                   (1) "Artificial intelligence infrastructure" means a  
6 facility using computational resources exceeding 1,000 teraflops  
7 per second.

8                   (2) "Cloud service provider" means an entity offering  
9 Internet-based infrastructure, platform, or software services with  
10 annual data usage exceeding five petabytes.

11                   (3) "Cryptocurrency mining operation" means a  
12 facility consuming at least one megawatt-hour of electricity per  
13 day or 30 megawatt-hours per month for cryptocurrency token  
14 production.

15                   (4) "Data center" means a facility consuming more than  
16 two megawatt-hours of electricity per month dedicated to data  
17 processing or storage.

18                   (5) "Large software company" means a company  
19 generating at least \$50 million in annual revenue from the sale of  
20 software-related products or services.

21                   (6) "Telecommunications company" means a provider of  
22 telecommunications services serving 500,000 or more subscribers in  
23 this state.

24                   Sec. 210.002. LEGISLATIVE FINDINGS ON TAX UNIFORMITY. The  
25 legislature finds that the taxes imposed under this chapter are  
26 reasonably classified based on measurable industry impacts on state  
27 infrastructure, energy use, and public welfare.

SUBCHAPTER B. TAXES IMPOSED

1                   Sec. 210.051. ELECTRICITY CONSUMPTION TAX. (a) Except as  
2 provided by Subsection (c), a tax is imposed on electricity  
3 consumption by a cryptocurrency mining operation during a calendar  
4 month.

5                   (b) The rate of the tax imposed by this section is \$0.10 per  
6 kilowatt-hour consumed by the cryptocurrency mining operation.

7                   (c) This section does not apply to a cryptocurrency mining  
8 operation that consumes less than five megawatt-hours of  
9 electricity during a calendar month.

10                  Sec. 210.052. GROSS REVENUE TAX: ARTIFICIAL INTELLIGENCE  
11 INFRASTRUCTURE FACILITY. (a) Except as provided by Subsection  
12 (c), a tax is imposed on the gross revenue of an artificial  
13 intelligence infrastructure facility during a calendar month.

14                  (b) The rate of the tax imposed by this section is six  
15 percent of the gross revenue of the facility.

16                  (c) This section does not apply to an artificial  
17 intelligence infrastructure facility with an annual gross revenue  
18 of less than \$50 million during the preceding calendar year.

19                  Sec. 210.053. GROSS REVENUE TAX: DATA CENTER. (a) Except  
20 as provided by Subsection (c), a tax is imposed on the gross revenue  
21 of a data center during a calendar month.

22                  (b) The rate of the tax imposed by this section is four  
23 percent of the gross revenue of the data center.

24                  (c) This section does not apply to a data center that  
25 consumes less than five megawatt-hours of electricity during a  
26 calendar month.

1       Sec. 210.054. GROSS REVENUE TAX: SEMICONDUCTOR  
2 MANUFACTURER. (a) A tax is imposed on the gross revenue of a  
3 semiconductor manufacturer during a calendar month.

4       (b) The rate of the tax imposed by this section is two  
5 percent of the gross revenue of the semiconductor manufacturer.

6       Sec. 210.055. GROSS REVENUE TAX: CLOUD SERVICES. (a) A tax  
7 is imposed on the gross revenue of a cloud service provider during a  
8 calendar month.

9       (b) The rate of the tax imposed by this section is two  
10 percent of the gross revenue of the cloud service provider.

11       Sec. 210.056. GROSS REVENUE TAX: TELECOMMUNICATIONS  
12 COMPANY. (a) A tax is imposed on the gross revenue of a  
13 telecommunications company during a calendar month.

14       (b) The rate of the tax imposed by this section is two  
15 percent of the gross revenue of the telecommunications company.

16       Sec. 210.057. GROSS REVENUE TAX: LARGE SOFTWARE COMPANY.  
17 (a) A tax is imposed on the gross revenue of a large software  
18 company during a calendar month.

19       (b) The rate of the tax imposed by this section is two  
20 percent of the gross revenue of the large software company.

21               SUBCHAPTER C. REPORTING AND PAYMENT OF TAX

22       Sec. 210.101. COLLECTION; REPORT. (a) The comptroller  
23 shall collect the taxes imposed under this chapter.

24       (b) Each person subject to a tax imposed under this chapter  
25 shall file a report with the comptroller on or before the 20th day  
26 of the calendar month following the month that is the subject of the  
27 report.

1       (c) The comptroller shall prescribe the form and content of  
2 the report required under this section. The comptroller may  
3 require a person subject to a tax imposed under this chapter to  
4 include with a report any information the comptroller determines  
5 necessary to determine the amount of tax the person owes for the  
6 period covered by the report.

7       Sec. 210.102. PAYMENT OF TAX. A person shall pay the tax  
8 due on a report submitted under Section 210.101 with the report.

9                               SUBCHAPTER D. ENFORCEMENT

10       Sec. 210.151. ENFORCEMENT; ADMINISTRATIVE PENALTY. (a)  
11 The comptroller may audit a person subject to a tax imposed under  
12 this chapter to ensure compliance with this chapter.

13       (b) A person that fails to submit a report required under  
14 Section 210.101 is subject to an administrative penalty in an  
15 amount determined by the comptroller not to exceed \$10,000.

16       (c) A person that knowingly includes false information in a  
17 report required under Section 210.101 is subject to an  
18 administrative penalty in an amount determined by the comptroller  
19 not to exceed \$100,000.

20       (d) The comptroller shall adopt rules necessary to  
21 implement and administer this section, including rules prescribing  
22 audit and appeal procedures and deadlines for compliance with  
23 reasonable requests for information made by the comptroller.

24                               SUBCHAPTER E. ALLOCATION OF REVENUE

25       Sec. 210.201. DEPOSIT AND USE OF REVENUE. (a) All revenue  
26 collected under this chapter shall be deposited to the credit of the  
27 Texas prosperity payout fund established under Subchapter V,

1 Chapter 403, Government Code.

2 (b) Revenue deposited to the credit of the fund under this  
3 section may not be used for any purpose other than to fund the  
4 monthly payments described by Section 403.704, Government Code.

5 SECTION 4. Not later than January 1, 2026, the comptroller  
6 of public accounts shall adopt rules necessary to implement  
7 Subchapter V, Chapter 403, Government Code, and Chapter 210, Tax  
8 Code, as added by this Act.

9 SECTION 5. An individual is not entitled to a payment under  
10 Subchapter V, Chapter 403, Government Code, as added by this Act,  
11 before July 1, 2026.

12 SECTION 6. This Act takes effect September 1, 2025.