

SENATE AMENDMENTS
2nd Printing

By: Hunter, Leo Wilson H.B. No. 3486

A BILL TO BE ENTITLED

AN ACT

relating to a reduction in the amount of sales and use tax collections that the owners of restaurants that purchase Texas farm-raised oysters are required to remit to the comptroller of public accounts.

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

SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended by adding Section 151.4245 to read as follows:

Sec. 151.4245. DISCOUNT FOR CERTAIN TAXPAYERS PURCHASING TEXAS FARM-RAISED OYSTERS. (a) In this section:

(1) "Food service establishment" has the meaning assigned by Section 437.001, Health and Safety Code.

(2) "Texas farm-raised oyster" means an oyster cultivated in the waters of this state in accordance with all applicable state and federal regulations.

(b) A taxpayer may 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 purchases Texas farm-raised oysters to be prepared and served at the establishment.

(c) A taxpayer may 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 this chapter the amount equal to \$5 for every 100 Texas

1 farm-raised oysters purchased for preparation and service at the
2 food service establishment during the quarter or month, as
3 applicable.

4 (d) The comptroller may require a taxpayer to provide any
5 information the comptroller determines is reasonably necessary to
6 determine the accuracy of the amount deducted and withheld by the
7 taxpayer under this section.

8 (e) The comptroller may adopt rules necessary to implement
9 and administer this section.

10 SECTION 2. The change in law made by this Act does not
11 affect tax liability accruing before the effective date of this
12 Act. That liability continues in effect as if this Act had not been
13 enacted, and the former law is continued in effect for the
14 collection of taxes due and for civil and criminal enforcement of
15 the liability for those taxes.

16 SECTION 3. This Act takes effect October 1, 2025.

ADOPTED

MAY 23 2025

Latey Law
Secretary of the Senate

By: *L. W. Kell*

H.B. No. 3486

Substitute the following for H.B. No. 3486:

By: *J. J. Hargis*

C.S. H.B. No. 3486

A BILL TO BE ENTITLED

AN ACT

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.

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

SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended by adding Section 151.433 to read as follows:

Sec. 151.433. DEDUCTION FOR CERTAIN TAXPAYERS PURCHASING TEXAS FARM-RAISED OYSTERS. (a) In this section:

(1) "Food service establishment" has the meaning assigned by Section 437.001, Health and Safety Code.

(2) "Texas farm-raised oyster" means an oyster cultivated in the waters of this state in accordance with all applicable state and federal regulations.

(b) A taxpayer may deduct from the taxpayer's taxable sales for the 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) A taxpayer may 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

1 oysters purchased for preparation and service at the food service
2 establishment during the year, quarter, or month, as applicable.

3 (d) The comptroller may require a taxpayer to provide any
4 information the comptroller determines is reasonably necessary to
5 determine the accuracy of the amount deducted by the taxpayer under
6 this section.

7 (e) The comptroller may adopt rules necessary to implement
8 and administer this section.

9 SECTION 2. The change in law made by this Act does not
10 affect tax liability accruing before the effective date of this
11 Act. That liability continues in effect as if this Act had not been
12 enacted, and the former law is continued in effect for the
13 collection of taxes due and for civil and criminal enforcement of
14 the liability for those taxes.

15 SECTION 3. This Act takes effect October 1, 2025.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 24, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3486** by Hunter (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.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3486, As Passed 2nd House: a negative impact of (\$131,000) through the biennium ending August 31, 2027.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$64,000)
2027	(\$67,000)
2028	(\$70,000)
2029	(\$74,000)
2030	(\$78,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1
2026	(\$64,000)
2027	(\$67,000)
2028	(\$70,000)
2029	(\$74,000)
2030	(\$78,000)

Fiscal Analysis

This bill would reduce the amount of sales and use tax collections that the owners of restaurants that purchase Texas farm-raised oysters are required to remit to the Comptroller.

The bill would add new Subchapter I, allowing a taxpayer that owns a food service establishment, as defined by the bill, to deduct \$5 for every 100 Texas farm-raised oysters purchased for preparation and service at the food service establishment.

The bill would allow the Comptroller to require a taxpayer who makes a deduction to provide any information the Comptroller determines is necessary to determine the accuracy of the deduction. The bill would also direct the Comptroller to adopt rules necessary to implement and administer the new Subchapter.

The bill would take effect October 1, 2025.

Methodology

According to a report released by the Texas Parks and Wildlife Department there were 14 operating oyster farms as of February 2025. An estimated 1,400,000 million Texas farm-raised oysters were sold in 2024. The effect on state sales tax collections of restaurants deducting \$5 for every 100 Texas farm raised oysters purchased for preparation and service at a food service establishment is reflected in the table below. The effect on local governments would be insignificant.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, SD, KK

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 21, 2025

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3486** by Hunter (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.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3486, Committee Report 2nd House, Substituted: a negative impact of (\$131,000) through the biennium ending August 31, 2027.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	(\$64,000)
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Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 20, 2025

TO: Honorable Joan Huffman, Chair, Senate Committee on Finance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3486** by Hunter (Relating to a reduction in the amount of sales and use tax collections that the owners of restaurants that purchase Texas farm-raised oysters are required to remit to the comptroller of public accounts.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3486, As Engrossed: a negative impact of (\$131,000) through the biennium ending August 31, 2027.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
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Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 20, 2025

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3486** by Hunter (Relating to a reduction in the amount of sales and use tax collections that the owners of restaurants that purchase Texas farm-raised oysters are required to remit to the comptroller of public accounts.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3486, As Introduced: a negative impact of (\$131,000) through the biennium ending August 31, 2027.

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LBB Staff: JMc, KK, SD