

SENATE AMENDMENTS
2nd Printing

By: Hunter, Leo Wilson H.B. No. 3487

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 participate in an oyster shell recycling program 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 PARTICIPATING IN OYSTER SHELL RECYCLING PROGRAM. (a) In this section:

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

(2) "Qualified oyster shell recycling program" means an oyster shell recycling program recognized by the comptroller as a qualified oyster shell recycling program.

(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 participates in a qualified oyster shell recycling program.

(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

1 under this chapter the amount equal to \$2 for each 50 pounds of
2 oyster shells collected at the food service establishment and
3 provided by the taxpayer to a project that recycles oyster shells as
4 a result of the taxpayer's participation in a qualified oyster
5 shell recycling program during the quarter or month, as applicable.

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

10 (e) The comptroller may adopt rules necessary to implement
11 and administer this section, and may consult with the Parks and
12 Wildlife Department when adopting the rules.

13 SECTION 2. Section 151.4245, Tax Code, as added by this Act,
14 does not affect tax liability accruing before October 1, 2025. That
15 liability continues in effect as if Section 151.4245, Tax Code, had
16 not been enacted, and the former law is continued in effect for the
17 collection of taxes due and for civil and criminal enforcement of
18 the liability for those taxes.

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

ADOPTED

MAY 25 2025

Lately Shaw
Secretary of the Senate

By: *L. W. Kell*

H.B. No. 3487

Substitute the following for H.B. No. 3487.

By: *J. J. Hmy*

C.S. H. B. No. 3487

A BILL TO BE ENTITLED

1 AN ACT

2 relating to a deduction from the amount of taxable sales used to
3 calculate the amount of sales and use taxes that the owners of
4 restaurants that participate in an oyster shell recycling program
5 are required to remit to the comptroller of public accounts.

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

7 SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended
8 by adding Section 151.434 to read as follows:

9 Sec. 151.434. DEDUCTION FOR CERTAIN TAXPAYERS
10 PARTICIPATING IN OYSTER SHELL RECYCLING PROGRAM. (a) In this
11 section:

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

14 (2) "Qualified oyster shell recycling program" means
15 an oyster shell recycling program recognized by the comptroller as
16 a qualified oyster shell recycling program.

17 (b) A taxpayer may deduct from the taxpayer's taxable sales
18 for the year, quarter, or month in which the sale is reported the
19 amount determined under Subsection (c) if the taxpayer owns a food
20 service establishment and participates in a qualified oyster shell
21 recycling program.

22 (c) A taxpayer may deduct from the taxpayer's taxable sales
23 for a year, quarter, or month for each food service establishment
24 for which a permit has been issued to the taxpayer under this

1 chapter the amount equal to \$2 for each 50 pounds of oyster shells
2 collected at the food service establishment and provided by the
3 taxpayer to a project that recycles oyster shells as a result of the
4 taxpayer's participation in a qualified oyster shell recycling
5 program during the year, quarter, or month, as applicable.

6 (d) The comptroller may require a taxpayer to provide any
7 information the comptroller determines is reasonably necessary to
8 determine the accuracy of the amount deducted by the taxpayer under
9 this section. The comptroller may request the assistance of the
10 Parks and Wildlife Department in determining whether an oyster
11 shell recycling program should be recognized as a qualified oyster
12 shell recycling program and may consult with the department
13 regarding other matters related to the implementation and
14 administration of this section.

15 (e) The comptroller may adopt rules necessary to implement
16 and administer this section, and may consult with the Parks and
17 Wildlife Department and other relevant institutions and
18 organizations when adopting the rules.

19 SECTION 2. The change in law made by this Act does not
20 affect tax liability accruing before October 1, 2025. That
21 liability continues in effect as if this Act had not been enacted,
22 and the former law is continued in effect for the collection of
23 taxes due and for civil and criminal enforcement of the liability
24 for those taxes.

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

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 25, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3487 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 participate in an oyster shell recycling program are required to remit to the comptroller of public accounts.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

This bill would amend Chapter 151 of the Tax Code (Limited Sales, Excise and Use Tax) relating to a reduction in the amount of sales and use tax collections remitted to the state by owners of restaurants that participate in an oyster shell recycling program.

The bill would add new Section 151.4245 to the Tax Code, allowing a restaurant that participates in the qualified oyster shell recycling program to deduct \$2 for every 50 pounds of oyster shells collected at the restaurant and provided to a project that recycles oyster shells. This deduction would be applicable to the tax liability the taxpayer owes under this chapter.

The bill would define the oyster shell recycling program as recognized by the comptroller as a qualified oyster shell recycling program.

The bill would allow the Comptroller to require a taxpayer who makes a deduction described by the bill 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.

According to the Comptroller, information from the Texas Parks and Wildlife Department indicates there are currently two large scale oyster shell recycling facilities in Texas. The amount of revenue loss as a result of restaurant owners taking the deduction authorized by the bill is not anticipated to be significant.

The bill would take effect October 1, 2025.

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: HB3487 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 participate in an oyster shell recycling program are required to remit to the comptroller of public accounts.), **Committee Report 2nd House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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This bill would amend Chapter 151 of the Tax Code (Limited Sales, Excise and Use Tax) relating to a reduction in the amount of sales and use tax collections remitted to the state by owners of restaurants that participate in an oyster shell recycling program.

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The bill would define the oyster shell recycling program as recognized by the comptroller as a qualified oyster shell recycling program.

The bill would allow the Comptroller to require a taxpayer who makes a deduction described by the bill 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.

According to the Comptroller, information from the Texas Parks and Wildlife Department indicates there are currently two large scale oyster shell recycling facilities in Texas. The amount of revenue loss as a result of restaurant owners taking the deduction authorized by the bill is not anticipated to be significant.

The bill would take effect October 1, 2025.

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: HB3487 by Hunter (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.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

This bill would reduce the amount of sales and use tax collections remitted to the state by owners of restaurants that participate in an oyster shell recycling program.

The bill would allow a restaurant that participates in the qualified oyster shell recycling program to deduct \$2 for every 50 pounds of oyster shells collected at the restaurant and provided to a project that recycles oyster shells. This deduction would be applicable to the tax liability the taxpayer owes under this chapter.

According to the Comptroller, information from the Texas Parks and Wildlife Department indicates there are currently two large scale oyster shell recycling facilities in Texas. The amount of revenue loss as a result of restaurant owners taking the deduction authorized by the bill is not anticipated to be significant.

The bill would take effect October 1, 2025.

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

April 20, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3487 by Hunter (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.), **As Introduced**

No significant fiscal implication to the State is anticipated.

This bill would reduce the amount of sales and use tax collections remitted to the state by owners of restaurants that participate in an oyster shell recycling program.

The bill would allow a restaurant that participates in the qualified oyster shell recycling program to deduct \$2 for every 50 pounds of oyster shells collected at the restaurant and provided to a project that recycles oyster shells. This deduction would be applicable to the tax liability the taxpayer owes under this chapter.

According to the Comptroller, information from the Texas Parks and Wildlife Department indicates there are currently two large scale oyster shell recycling facilities in Texas. The amount of revenue loss as a result of restaurant owners taking the deduction authorized by the bill is not anticipated to be significant.

The bill would take effect October 1, 2025.

Local Government Impact

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Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD