

1-1 By: Hunter, et al. H.B. No. 3487  
 1-2 (Senate Sponsor - Kolkhorst, et al.)  
 1-3 (In the Senate - Received from the House May 9, 2025;  
 1-4 May 12, 2025, read first time and referred to Committee on Finance;  
 1-5 May 22, 2025, reported adversely, with favorable Committee  
 1-6 Substitute by the following vote: Yeas 13, Nays 0; May 22, 2025,  
 1-7 sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17			X	
1-18			X	
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			
1-24	X			

1-25 COMMITTEE SUBSTITUTE FOR H.B. No. 3487 By: Hinojosa of Hidalgo

1-26 A BILL TO BE ENTITLED  
 1-27 AN ACT

1-28 relating to a deduction from the amount of taxable sales used to  
 1-29 calculate the amount of sales and use taxes that the owners of  
 1-30 restaurants that participate in an oyster shell recycling program  
 1-31 are required to remit to the comptroller of public accounts.

1-32 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-33 SECTION 1. Subchapter I, Chapter 151, Tax Code, is amended  
 1-34 by adding Section 151.434 to read as follows:

1-35 Sec. 151.434. DEDUCTION FOR CERTAIN TAXPAYERS  
 1-36 PARTICIPATING IN OYSTER SHELL RECYCLING PROGRAM. (a) In this  
 1-37 section:

1-38 (1) "Food service establishment" has the meaning  
 1-39 assigned by Section 437.001, Health and Safety Code.

1-40 (2) "Qualified oyster shell recycling program" means  
 1-41 an oyster shell recycling program recognized by the comptroller as  
 1-42 a qualified oyster shell recycling program.

1-43 (b) A taxpayer may deduct from the taxpayer's taxable sales  
 1-44 for the year, quarter, or month in which the sale is reported the  
 1-45 amount determined under Subsection (c) if the taxpayer owns a food  
 1-46 service establishment and participates in a qualified oyster shell  
 1-47 recycling program.

1-48 (c) A taxpayer may deduct from the taxpayer's taxable sales  
 1-49 for a year, quarter, or month for each food service establishment  
 1-50 for which a permit has been issued to the taxpayer under this  
 1-51 chapter the amount equal to \$2 for each 50 pounds of oyster shells  
 1-52 collected at the food service establishment and provided by the  
 1-53 taxpayer to a project that recycles oyster shells as a result of the  
 1-54 taxpayer's participation in a qualified oyster shell recycling  
 1-55 program during the year, quarter, or month, as applicable.

1-56 (d) The comptroller may require a taxpayer to provide any  
 1-57 information the comptroller determines is reasonably necessary to  
 1-58 determine the accuracy of the amount deducted by the taxpayer under  
 1-59 this section. The comptroller may request the assistance of the  
 1-60 Parks and Wildlife Department in determining whether an oyster

2-1 shell recycling program should be recognized as a qualified oyster  
2-2 shell recycling program and may consult with the department  
2-3 regarding other matters related to the implementation and  
2-4 administration of this section.

2-5 (e) The comptroller may adopt rules necessary to implement  
2-6 and administer this section, and may consult with the Parks and  
2-7 Wildlife Department and other relevant institutions and  
2-8 organizations when adopting the rules.

2-9 SECTION 2. The change in law made by this Act does not  
2-10 affect tax liability accruing before October 1, 2025. That  
2-11 liability continues in effect as if this Act had not been enacted,  
2-12 and the former law is continued in effect for the collection of  
2-13 taxes due and for civil and criminal enforcement of the liability  
2-14 for those taxes.

2-15 SECTION 3. This Act takes effect October 1, 2025.

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