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FLOOR AMENDMENT NO. \_\_\_\_\_ HOUSE OF REPRESENTATIVES

BY: MyDew

Amend C.S.H.B. No. 31 (house committee report) as follows:

(1) Insert the following SECTIONS on page 1 between line 13 and 14 and renumber the subsequent SECTIONS appropriately:

SECTION \_\_\_\_\_. Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.0143 to read as follows:

Sec. 403.0143. EVALUATION OF AND REPORT ON EXEMPTIONS FROM STATE TAXES. (a) In this section, "exemption" includes:

(1) an exemption that is provided by the manner in which a term is defined in Subchapter A, Chapter 151, Tax Code; and

(2) an exemption provided by Chapter 162, Tax Code, from the taxes imposed by that chapter.

(b) The comptroller shall periodically evaluate each exemption provided by Chapter 151 Tax Code, from the taxes imposed by this chapter.

(c) The comptroller shall conduct the evaluation required by Subsection (b) according to a schedule that the comptroller adopts. The schedule must provide for the comptroller to evaluate each tax exemption at an interval not to exceed six years. The comptroller shall provide the schedule to the governor, lieutenant governor, speaker of the house of representatives, and presiding officers of the senate finance committee and the house ways and means committee.

(d) The comptroller's evaluation of each tax exemption must:

(1) include an evaluation of the exemption's effect on:

(A) revenue received from taxes imposed by the chapter providing the exemption;

(B) the entities that receive the exemption;

(C) sales of property, goods, and services made in this state, where applicable; and

(D) economic investment and growth in this state;

(2) take into account any other factors the comptroller considers relevant in evaluating the exemption;

(3) consider whether retaining the exemption is in the public's best interest; and

(4) make recommendations relating to the exemption based on the evaluation.

(e) At each regular legislative session, the comptroller shall present to the legislature and the governor a report on the evaluation and recommendations the comptroller makes under Subsection (d). The report must include drafts of any legislation needed to carry out the comptroller's recommendations under that subsection.

(f) The evaluation described by this section does not apply to a tax exemption that is:

(1) explicitly provided by the constitution of this state; or

(2) for an item or service that this state is unable to tax under the United States Constitution or federal law.

SECTION \_\_\_\_\_. The comptroller of public accounts shall adopt a schedule for evaluating exemptions from property taxes and state taxes as provided by Section 403.0143, Government Code, as added by this Act, on or before January 1, 2016.