

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1779
By: Shapleigh
Finance
4-8-97
Committee Report (Substituted)

DIGEST

Currently, the Tax Code requires the comptroller to report exemptions, discounts, exclusions, and special methods of reporting relating to sales, excise, and use taxes, and the franchise tax. Recent activities have spurred efforts to make more information available about such special provisions which reduce tax revenues available to legislators and other interested parties. This bill directs the comptroller to calculate and determine the amount and impact of revenue lost to the state through exceptions, exemptions, and special allowances to the general tax system. Additionally, this bill expands the responsibilities of the comptroller and assign new responsibilities to the Legislative Budget Board.

PURPOSE

As proposed, C.S.S.B. 1779 requires the comptroller to calculate and determine the amount and impact of revenue lost to the state through exceptions, exemptions, and special allowances to the general tax system. Additionally, this bill expands the responsibilities of the comptroller and assigns new responsibilities to the Legislative Budget Board.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 403.014, Government Code, to require the comptroller to report to the legislature and the governor on the effect, if it is possible to assess, of special valuations, special accounting treatments, and special rates relating to school district property taxes under Title 1, Tax Code, and any other tax generating more than 5 percent of state tax revenue in the prior fiscal year. Deletes a provision relating to exemptions from and special rates relating to franchise tax. Requires the report to include certain information. Authorizes the report to include an assessment of the intended purpose of the provision and whether the provision is achieving that objective. Requires the comptroller, at the request of certain parties, to prepare an analysis of the effect on the state's tax revenues that would result from the passage of the bill or resolution. Sets forth the requirements for the analysis. Authorizes the Legislative Budget Board to request certain information. Makes conforming changes.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 403.014, Government Code, regarding a report on the effect of certain tax provisions.