

BILL ANALYSIS

Senate Research Center

S.B. 752
By: Bettencourt; Creighton
Finance
6/17/2015
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 752 repeals both the state inheritance tax and the tax on combative sports events. The inheritance tax has not been collected in Texas in almost 10 years. The tax was originally structured to be equal to the federal estate tax credit for estate taxes collected by the states. However, in the past decade revisions to the federal estate tax have eliminated the credit for state taxes, so the Texas estate tax collections have dropped off to zero. Repealing the tax now will eliminate the possibility of it being resurrected in the future.

The combative sports admission tax is administered by the Texas Department of Licensing and Regulation. Combative sports include boxing, kickboxing, and mixed martial arts. A three percent gross receipts tax is imposed on the ticket sales revenue plus any pay per view revenue for a combative sports event held in the state, with a minimum tax of \$30,000 per event.

The Office of the Comptroller of Public Accounts of the State of Texas estimates that S.B. 752 will cost the state \$1,202,000 in revenue for the 2016-2017 biennium, with almost all of the revenue loss coming from the repeal of the tax on combative sports events.

S.B. 752 amends current law relating to the repeal of the inheritance tax.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Repealer: Chapter 211 (Inheritance Taxes), Tax Code.

SECTION 2. Amends Section 124.001(3), Estates Code, to redefine "estate tax."

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2015.