

A black and white photograph of the Texas State Capitol dome, showing the iconic statue of Liberty on top. The dome is surrounded by a circular balcony with arched windows. The sky is bright with some clouds.

TTARA Webcast Update on Tax and Fiscal Issues

March 9, 2017

**TEXAS TAXPAYERS
TTARA
AND RESEARCH ASSOCIATION**

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We will enter the State Bar of Texas credit, but accountants and tax professionals need to submit their credit to those organizations.

Upcoming TTARA Meetings

2017 Legislative and Tax Committee Meeting Schedule

Meetings will be held in the third floor auditorium at 400 West 15th Street, Austin, TX

Date	Legislative 9:00-10:00 am	Property Tax 10:00 am-12:00 pm	State Tax 10:00 am-12:00 pm
January 11	✓	✓	
January 26	✓		✓
February 8	✓	✓	
February 22	✓		✓
March 8	✓		
March 22	✓	✓	
April 4	✓		✓
April 18	✓	✓	
May 2	✓		✓
May 16	✓	✓	
June 14	✓		



2017 Webcast Schedule

(All webcasts will begin at 9:30 a.m. and last approximately one hour)

- ~~January 18~~
- ~~February 9~~
- ~~March 9~~
- April 13
- May 11
- June 8
- September 14
- November 9



Other 2017 TTARA Meetings

- **Dallas Area Luncheon:** April 7 from 11:30 a.m. to 1:00 p.m., La Cima Club, 5215 North O'Connor Blvd., Suite 2600, Irving, TX 75039
- **Houston Area Luncheon:** April 20 from 11:30 a.m. to 1:00 p.m., The Downtown Center at Houston Club, 1100 Caroline St., Houston, TX 77002
- **Golf Tournament:** June 5 at Falconhead Golf Club, Austin, 1:30 p.m. start.
- **Annual Meeting:** November 30 & December 1, JW Marriot, Austin, TX 78701

Agenda

- 1. 85th Legislative Session Dates of Interest**
- 2. Fiscal Review**
- 3. Franchise Tax**
- 4. Economic Development**
- 5. School Finance**
- 6. Property Tax**
- 7. Sales Tax**
- 8. Other Tax Bills**

Legislative Dates of Interest

March 10, 2017	Deadline to file bills
May 8, 2017	Last day for house committees to report house bills
May 11, 2017	Last day for house to consider house bills and joint resolutions
May 19, 2017	Last day for house to consider local & consent house bills
May 23, 2017	Last day for house to consider senate bills
May 24, 2017	Last day for house to consider local & consent senate bills
May 28, 2017	Last day for house to adopt conference committee reports
May 29, 2017	Regular session adjourns
June 18, 2017	Last day Governor can veto bills

Fiscal Review



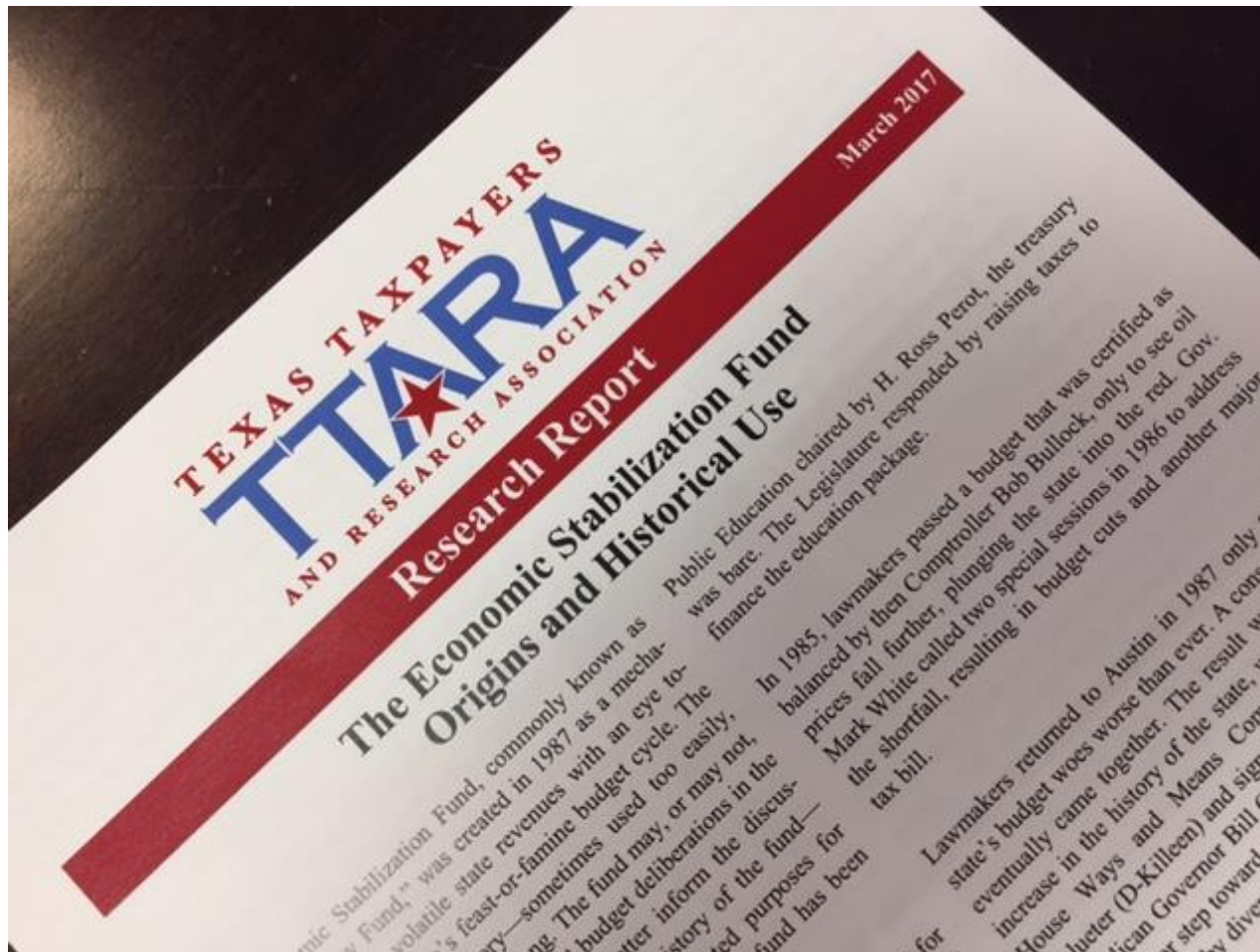
Comparing House/Senate Budgets

	Senate	House
Overall	\$1.3 billion under available revenue	\$4 billion over available revenues, plus uses \$1.2 bl from ESF
Public Education	Uses rising property taxes to fully fund formulas	Fully funds formulas plus \$1.5 million gained from growth in local property values
Higher Education	Eliminates “special items” — funding elements unique to each institution	Roughly maintains current funding levels
Medicaid	Short of mandate levels by roughly \$4 billion	Short of mandate levels by roughly \$1 billion
Across-the board cuts	In addition to agency cuts incorporated in bill, 1.5% across-the-board	No across-the-board cuts

Divergent Views Over the Economic Stabilization Fund

- **HB2 by Zerwas:** 2017 supplemental bill to meet state's legal obligation for Medicaid
 - Would use \$1.2 billion from the ESF
 - Governor & Lt Governor seek to “preserve” the Economic Stabilization Fund
 - Current projected balance of \$12 billion equals almost 25 percent of one year's worth of tax collections
 - TTARA Report: The Economic Stabilization Fund, Origins and Historical Use points out the fund was created to deal with *unforeseen shortfalls in revenue*.

TTARA Report on the Economic Stabilization Fund



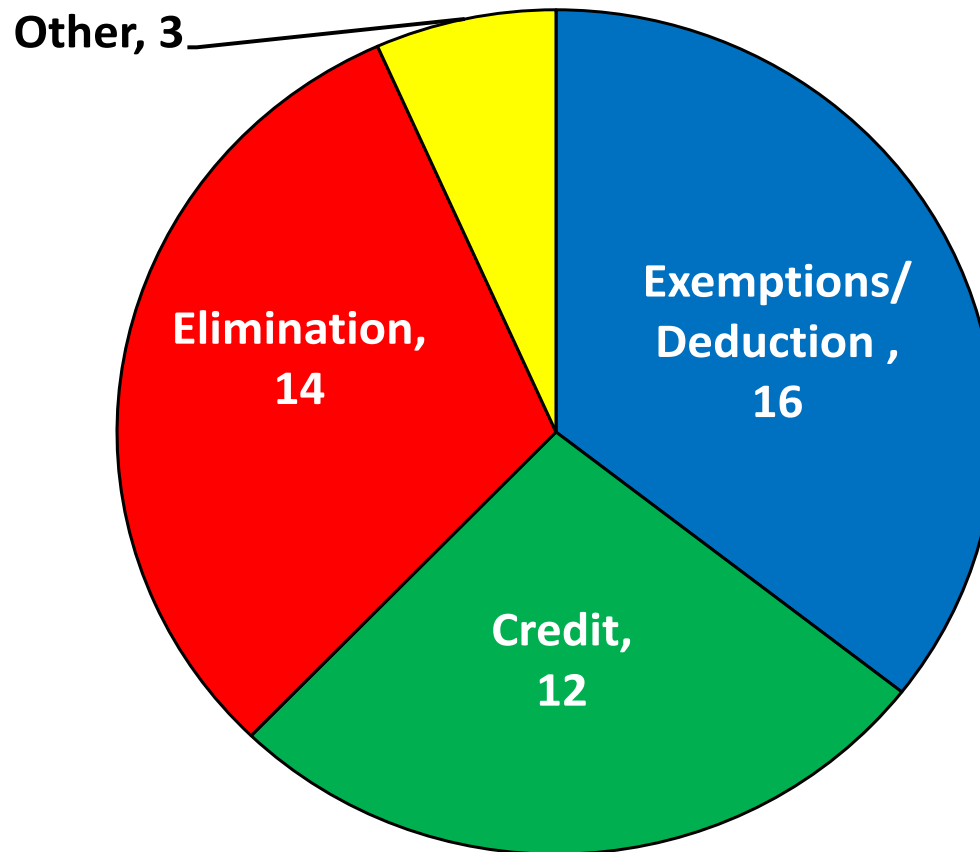
Seliger ESF/Oil & Gas Bills

- **SB 1008 and SJR 41** by Seliger would remove amounts above \$5 billion from the Economic Stabilization Fund, using it to reduce the rates of the oil production tax and the natural gas production tax
- Future oil and gas transfers into the fund would be suspended (when balance is above \$5 billion), with the amount used to cut oil and gas tax rates
- 91 percent of funds deposited into the Economic Stabilization Fund have been from oil and gas production taxes

Don't Forget Smoke and Mirrors!

Delay August Payment to Schools	~ \$2.0 billion
Delay Fuels Tax Transfer to Hwy Fund	\$0.4 billion
Delay Payments to Pension Funds	\$0.5 billion
Defer One Month's Medicaid Premium	\$0.3 billion
Require 25% prepayment of one month's Sales, Fuels, Alcohol Taxes	\$0.3 billion
Ignore <u>Current</u> Federal Medicaid Law	Priceless

Franchise Tax 45 Bills Introduced



Franchise Tax Bills of Interest

- **CSSB 17 by Nelson:** uses excess state revenues to proportionately reduce the rates of the franchise tax. *Substitute added language to preserve audit authority and taxpayer confidentiality.*

February 28: Passed out of Senate Finance 12-2

TTARA testified in **support** as the bill does not have an immediate cost, relying on a portion of future excess revenue, and benefits all taxpayers equally

Senate Bill 17 by Nelson

One half of any future revenue growth in excess of 5% is to be used to lower franchise tax rates

Years	Rates			Revenue
	Basic	Wsl/Retail	EZ	
2018-19	0.75%	0.375%	0.331%	n.a.
2020-21	0.61	0.31	0.27	\$1.6 bl
2022-23	0.47	0.24	0.21	\$1.7 bl
2024-25	0.34	0.17	0.15	\$1.8 bl
2026-27	0.20	0.10	0.09	\$1.9 bl
2028-29	0.07	0.04	0.03	\$2.0 bl

Franchise Tax Bills of Interest

- SB 575 by Schwertner, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hinojosa, Kolkhorst, Lucio, Nichols, Perry, Seliger, Taylor (Larry): raises the small business exemption to \$4 million

February 28: Heard in Senate Finance

TTARA testified in opposition as the bill further erodes the number of those paying the franchise tax (under SB 575 only 1 in 20 registered businesses would pay tax).

Senate Bill 575 by Schwertner, et al.

- Increases the small business exemption from the current \$1 million (indexed to inflation) to \$4 million
- Would exempt roughly half of all current taxpayers
- Annual state revenue loss of roughly \$300 million

This bill may be a passenger looking for a vehicle!

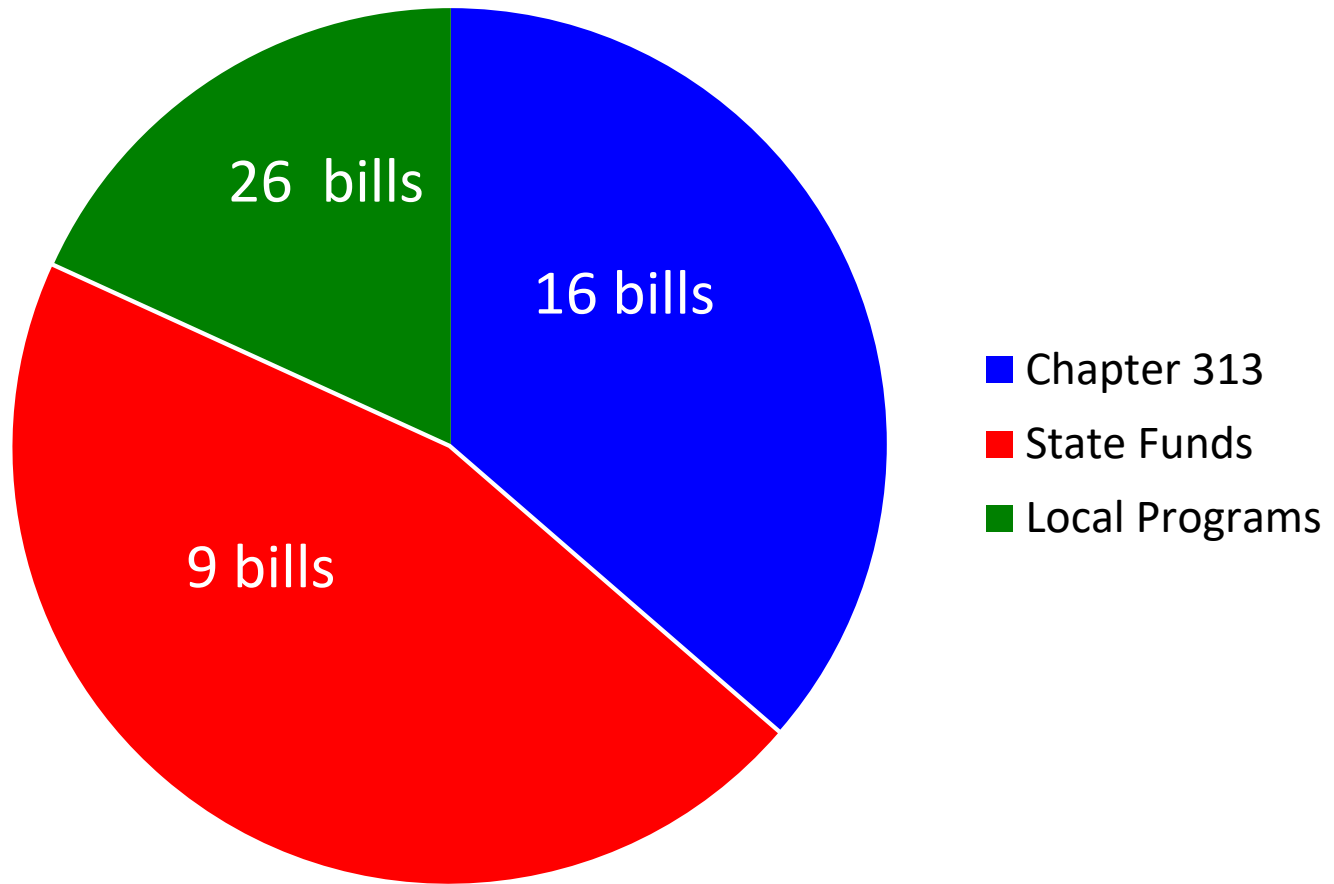
Comptroller “Technical” Franchise Tax Bills

- **HB 3345 by Springer: Relating to the definition of “passive entity” for the franchise tax:** provides that interest income does not qualify as passive income if the entity is in the business of making loans to the general public
- **Relating to the definition of “production” in the cost of goods sold deduction for the franchise tax:** removes “installation” from the list of activities that qualifies as “production”

Comptroller “Technical” Franchise Tax Bills, *continued*

- **Relating to the apportionment of certain loans and securities for the franchise tax:** provides that the “net gain or loss from the sale of a loan or security” must be included in “total revenue” to be counted as a “gross receipt” for apportionment purposes

Economic Development 51 Bills Introduced



Chapter 313

HB 3086 by Murphy:

- Changes the definition of “qualifying job” to include a transfer of a job from one area in the state to another if the transfer represents a net new job in the state;
- Modifies the wage requirement to qualify a job that pays 110% of the lesser state median annual wage for manufacturing jobs in the state or the county average annual wage for manufacturing jobs in the county;
- Adds a definition of “county average annual wage for all jobs”;
- Adds a definition of “state median annual wage for manufacturing jobs” and “state median annual wage for all jobs”;
- Changes the wage requirement for nonqualifying jobs from the average “weekly” wage to the average “annual” wage and requires the wage to exceed the *lesser* of the state median annual wage for all jobs in the state or the county average annual wage for all jobs in the county;

HB 3086 by Murphy, cont.

- Prohibits a school district from waiving a requirement in a new jobs creation requirement that the jobs created by qualifying jobs;
- Specifies that the tax limitation agreement must state the dollar amount of the qualified investment that must be made and the number of new qualifying jobs that must be created;
- Provides that if the tax limitation agreement does not include the required information, the relevant provisions of the approved application are considered as part of the agreement;
- Requires a member of the governing body of a school district, school superintendent, employee of a school district, or person who provides services to the district who has a family, business, commercial, or other relationship that could reasonably be expected to diminish the person's independence of judgment in the performance of a person's responsibilities related to an application to disclose the relationship in writing to the school district;
- Prohibits a person who discloses a conflict of interest from giving advice or making decisions about a matter affected by the possible conflict unless the district expressly waives the prohibition.

Chapter 313, cont.

HB 3176 by Button:

- Requires a member of the governing body of a school district to disclose in writing to the board and the comptroller that the member has a substantial financial interest in an entity applying to the board for a tax limitation or has an interest in a matter related to the application;
- Requires the member to recuse himself or herself from the board's consideration of the application;
- Defines "substantial financial interest" as direct or indirect ownership of more than 5% of the entity or acts as an employee, member, director, or officer of the entity;
- Reduces the floor on payments to school districts from \$50,000 to \$37,500;
- Requires the comptroller to verify jobs data using any source the comptroller finds reliable.

Chapter 313, cont.

HB 2564 by Button:

- Directs the Economic Development Incentive Oversight Board to examine the effectiveness, efficiency, and financial impact of projects undertaken by Type A or Type B corporations;
- Directs the board to examine the effectiveness, efficiency, and financial impact of Chapter 313 projects;
- Requires the board to develop a schedule of review and make a biennial report to the legislature on projects reviewed during the previous two years.

HB 3230 by Phelan

- Requires a Chapter 312 abatement or Chapter 313 tax limitation agreement to include a provision either waiving the property owner's right to contest the unequal appraisal of property subject to the agreement for a tax year subject to the agreement or allowing the taxing unit or school district to recapture all or part of the lost as a result of the agreement if the appraised value does not attain a value specified in the agreement and the payment of penalty or interest, or both, on the recaptured revenue.

SB 1026 by Estes

- Repeals the Chapter 313 provision that allows new qualifying jobs created under an agreement between the property owner and another school district to be counted in the total number of qualifying jobs created in connection with the project if the Texas Economic Development and Tourism Office determines the projects covered by the agreements constitute a single unified project.

SB 1027 by Estes:

Repeals the Chapter 313 provision that allows a school district to waive the new jobs creation requirement if the governing body finds that the requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

SB 1028 by Estes:

- Directs the Economic Incentives Oversight Board to study the efficiency, effectiveness, and financial impact of discretionary monetary or tax incentives granted by local governments to business entities;
- Requires the board to develop a schedule of review and report findings and recommendations to the legislature every two years.

Enterprise Projects

SB 1387 by Hinojosa:

- Changes the definition of a “new permanent job” and “retained job” for purposes of the enterprise zone program to one certified by the qualified business as a full-time position that provides employment benefits, including health care benefits.

SB 1387 by Hinojosa/HB 1614 by Parker:

- Grants a franchise tax credit to enterprise projects for capital investments in tangible personal property (machinery, engines, tools, and implements used in a trade or business) of 7.5% of the amount of the capital investment, subject to a 50% cap;
- Allows the project to carry forward unused credits for up to five consecutive reporting periods;
- Requires the comptroller to prepare a biennial report of tax credits under this section.

Infrastructure

SJR 46 by Perry:

- Creates the state infrastructure endowment fund;
- Directs the comptroller at the end of each biennium to transfer from general revenue to the credit of the fund one quarter of one percent of general revenue that came into the treasury in the preceding state fiscal year and that is not appropriated or dedicated by the constitution, provided that the legislature may designate a different amount not less than one quarter of one percent or greater than one percent;
- Limits the use of endowed funds to state infrastructure projects other than transportation infrastructure or higher education facilities.

Infrastructure, cont.

SJR 47 by Perry:

- Authorizes the legislature by general law to authorize the Texas Public Finance Authority to issue general obligation bonds not to exceed \$1 billion to pay for projects to repair, renovate, rehabilitate, or construct state infrastructure other than transportation infrastructure and higher education facilities;
- Proceeds of the bonds may only be spent in accordance with legislative appropriation.

Infrastructure, cont.

SB 28 by Creighton:

- Authorizes TXDOT to use the Texas Mobility Fund to finance port access improvement projects;
- Creates the ship channel improvement revolving fund administered by TXDOT.

HB 2557 by R. Miller:

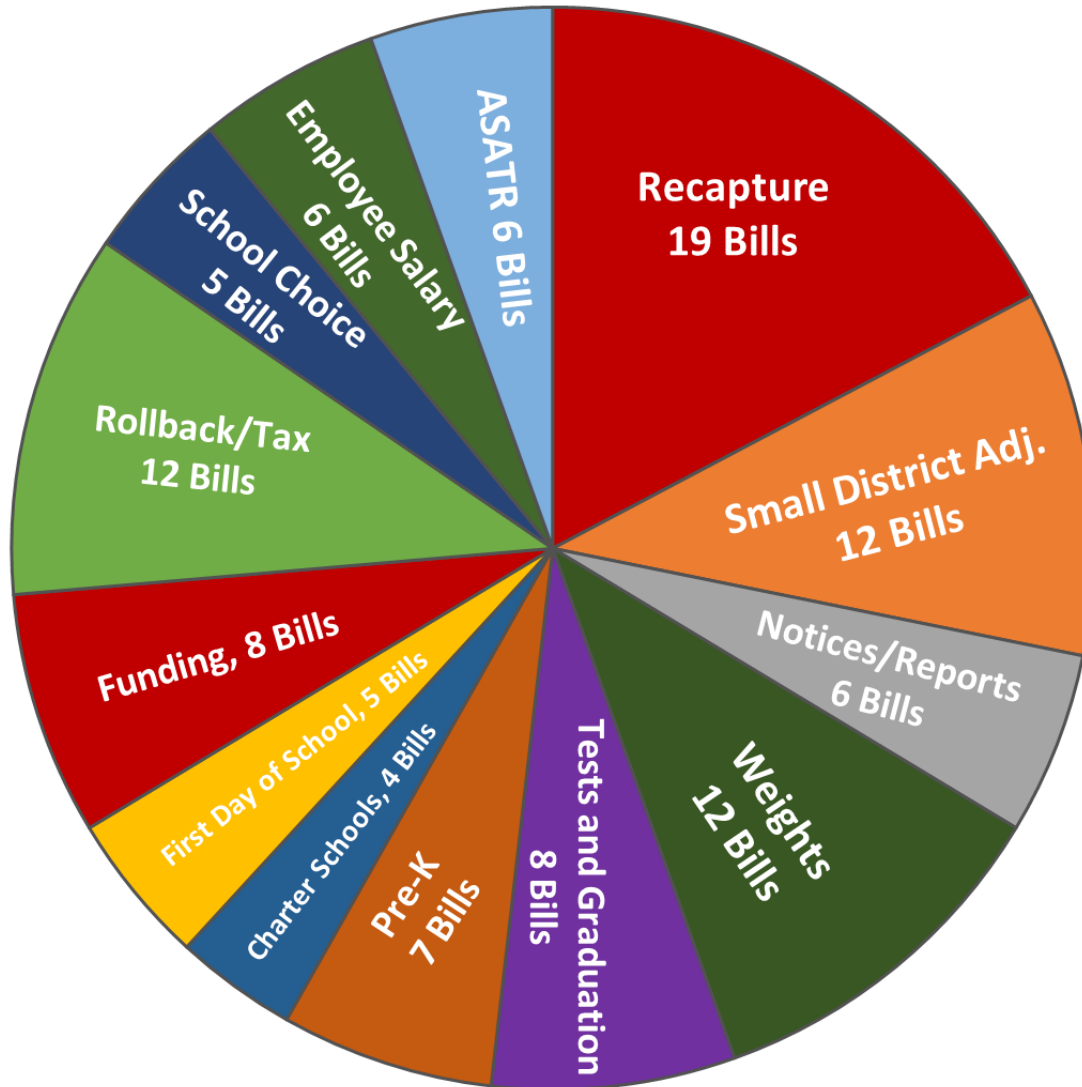
- Authorizes a county that is part of a rural rail transportation district, acting through the county commissioners or a local government corporation, to adopt an order authorizing the exercise of the powers of a regional mobility authority without state approval, oversight, or regulation

Other Bills

HB 3172 by Button:

- Directs the Department of Information Resources to establish an electronic government project to develop an Internet website accessible through the state electronic Internet portal to provide a single location that a business entity seeking to locate in Texas can use to access information about economic development incentives;
- Requires the site to allow, when feasible, an entity to complete one application for all state monetary incentives for which the entity may be eligible and state tax incentives, other than an incentive for which the entity or a transaction of the entity qualifies by operation of law;
- Requires the site to direct the application to the appropriate agencies.

School Finance and Education Tracking 110 Bills



HB 21 by Dan Huberty

- **HB 21 by Dan Huberty** will be the comprehensive school finance bill in the House.
- **\$1.47 billion** is in Rider #72 of the House Appropriations Bill – reserved for this bill.
- Hearing was held on Tuesday, March 7.
- Will take testimony on Tuesday, March 14 also.
- Almost all school groups testified in favor of the bill.

HB 21 by Dan Huberty

- **Increases funding** to school districts by **\$1.6 billion** for the biennium.
- **Repeals** the following allotments and re-directs the revenue to the basic allotment and equalized wealth level:
 - Chapter 41 Hold Harmless – 27 school districts; 1993 hold harmless
 - High School Allotment (\$275 per ADA in grades 9-12)
 - Transportation Allotment
 - Additional State Aid for Employees that are not administrators and not on the salary schedule
- Maintains the **September 1, 2017 expiration date** for Additional State Aid for Tax Reduction (**ASATR**).

HB 21 by Dan Huberty

- Increases the **basic allotment** by \$210 to **\$5,350** (from \$5,140)
- Increases the **equalized wealth level** (recapture threshold) by \$21,000 to **\$535,000** per WADA (from \$514,000)
 - Reduces recapture by **\$163 million** in 2018
 - Reduces recapture by **\$192 million** in 2019

HB 21 by Dan Huberty

- Creates a **Financial Hardship Grant** that provides revenue to districts experiencing less state and local M&O revenue per weighted student at the district's compressed rate than the district received in the 2016-2017 school year.
 - **\$100 million is appropriated for each year.**
 - Priority will be given to districts that lost ASATR funding.
 - Second priority will be given to districts that lost revenue due to provisions of this bill.
 - No district may receive a grant that is more than 10% of the amount appropriated (\$10 million per year).
 - Grant is limited to the lesser of the amount of the loss or the amount that would provide the district with 125% of the average state and local M&O revenue per weighted student for the 2016-2017 school year.
 - If the amount appropriated is less than the amount of grant applications, the Commissioner will reduce each grant proportionately.
 - Districts must apply for this aid.

HB 21 by Dan Huberty

- Authorizes a school district to **charge a reasonable fee for transportation** of a student who lives within **two miles** of the school the student attends to and from that school, regardless of whether the district receives a transportation allotment.
- Prohibits a county transportation system from receiving funds directly from the state.
- Adds a **weight of 0.1 for students with dyslexia** or related disorders (approximately 154,000 students). Limits the number of students identified with dyslexia in each district to 5% of the district's ADA.

Chapter 41 Hold Harmless Districts (27)

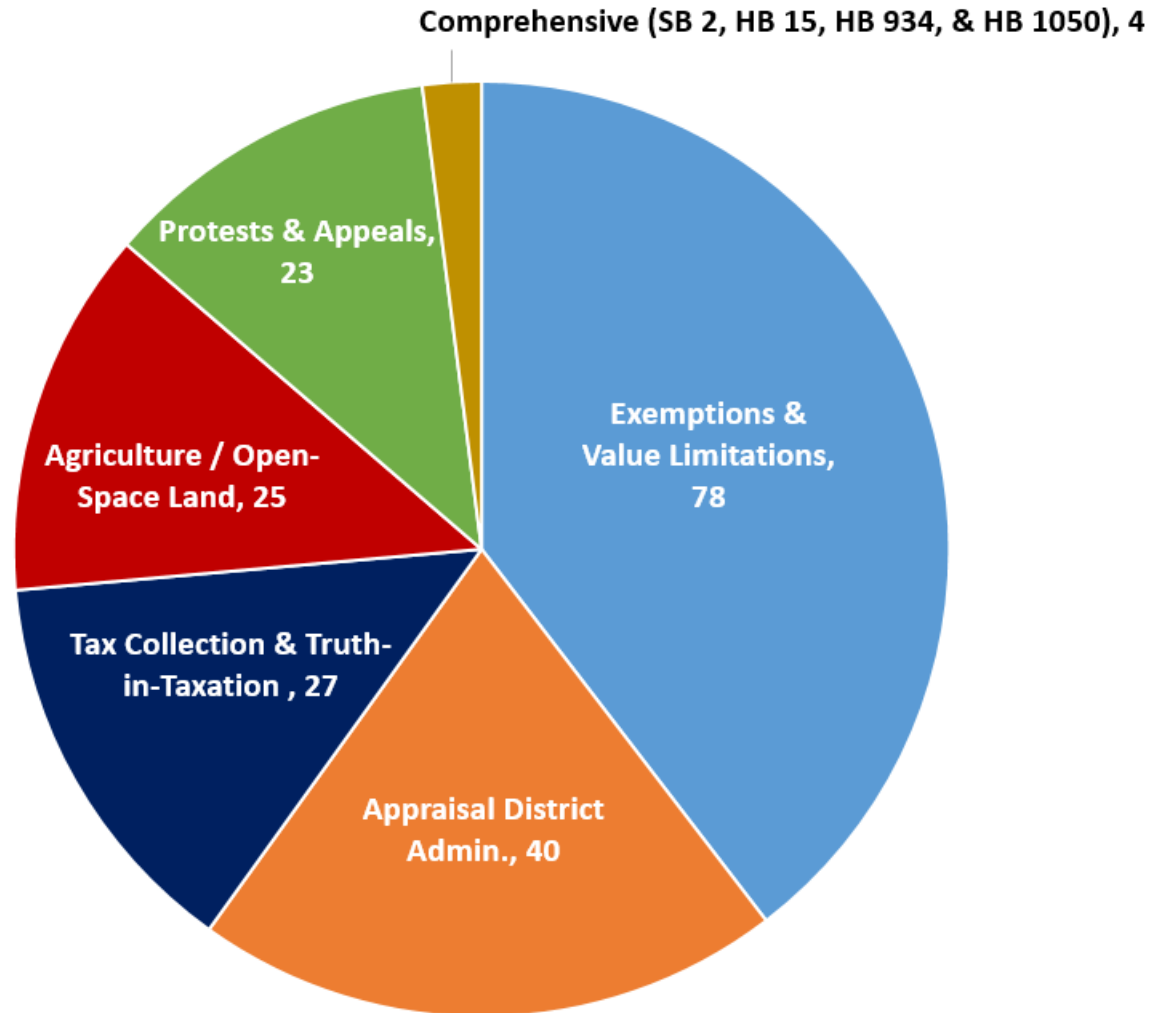
	Chapter 41 HH Level	Amount Recaptured	% Recaptured
BORDEN COUNTY ISD	981,452	\$ 2,475,932	45%
GUTHRIE CSD	960,889	\$ 20,402	1%
WESTBROOK ISD	909,771	\$ 246,409	12%
SUNDOWN ISD	837,960	\$ 2,110,450	30%
GLEN ROSE ISD	822,053	\$ 10,162,079	42%
GRANDVIEW-HOPKINS ISD	795,544	\$ 321,259	38%
JAYTON-GIRARD ISD	744,572	\$ 1,911,233	63%
WINK-LOVING ISD	732,802	\$ 10,895,355	66%
MCMULLEN COUNTY ISD	697,889	\$ 15,750,651	90%
WHITEFACE CISD	676,845	\$ 933,983	28%
WEBB CISD	660,143	\$ 1,058,544	35%
FORT ELLIOTT CISD	651,605	\$ 8,124,261	90%
KELTON ISD	642,568	\$ 4,673,454	88%
LOOP ISD	631,410	\$ 1,016,555	55%

Chapter 41 Hold Harmless Districts cont. (27)

	Chapter 41 HH Level	Amount Recaptured	% Recaptured
CRANE ISD	607,679	\$ 2,968,385	35%
SABINE PASS ISD	606,228	\$ 1,409,293	25%
DAWSON ISD	577,857	\$ 78,019	9%
SEMINOLE ISD	572,578	\$ 9,563,819	47%
DENVER CITY ISD	568,231	\$ 4,413,643	37%
PRINGLE-MORSE CISD	566,880	\$ 190,247	18%
BARBERS HILL ISD	561,623	\$ 16,701,982	38%
AUSTWELL-TIVOLI ISD	557,729	\$ 1,960,751	58%
IRAAN-SHEFFIELD ISD	554,503	\$ 3,642,302	54%
FOLLETT ISD	549,258	\$ 277,095	25%
BUENA VISTA ISD	549,204	\$ 186,997	9%
HIGHLAND PARK ISD	529,112	\$ 88,426,457	68%
GRADY ISD	517,139	\$ 10,869,342	88%

Property Tax

197 bills being tracked as of today



Comparison of SB 2 and HB 15

SB 2 by Sen. Paul Bettencourt	HB 15 by Rep. Dennis Bonnen Property Tax Payer Empowerment Act of 2017
Rollback tax rate reduced from 8% to 4% for all taxing units except school districts	Rollback tax rate reduced from 8% to 4% for all taxing units except school districts
Automatic ratification elections if adopted rates exceed rollback tax rates and held in November; repeal of petition process	Automatic ratification elections if adopted rates exceed rollback tax rates and repeal of petition process
Elimination of taxing unit challenges of level of appraisal of property categories	Enhancement of taxpayer injunctive relief by removing lack of good faith requirement for taxing unit failure to comply with statutory requirements
Creation of the Property Tax Administration Advisory Board to advise the Comptroller concerning administration and oversight of appraisal and tax offices	Creation of a statewide database in Comptroller's office of property tax rate setting information provided by taxing units for purposes of local taxpayer notification of estimated taxes, tax rate hearings, and background material



Comparison of SB 2 and HB 15 (cont'd)

SB 2 by Sen. Paul Bettencourt	HB 15 by Rep. Dennis Bonnen
Directors of appraisal district boards to be elected officials	Comptroller to prescribe effective and rollback tax rate calculation worksheets for electronic submission
Special appraisal review panels required in counties with populations of 120,000 or more to hear protests of certain complex properties if requested by property owners	Effective and rollback tax rate calculation worksheets to be certified as accurate and changes to definitions of debt and tax collection rate in rollback tax rate calculation
Changes to deadlines for renditions, appraisal notices, protest filing, certification of appraisal and tax rolls, and tax rate adoption	Removal of tax estimates on notices of appraised value and delivery of separate estimated tax notices to property owners with individualized information
Prohibition of appraisal review board hearings on a weekday after 7 p.m. or on Sundays	Changes “effective” tax rate to “no new taxes” tax rate, except as that term is applied to school districts
Expansion of requests for binding arbitration to properties valued at \$5 million or less and related changes to deposits	Requirement that taxing units maintain Internet websites and post contact information for officials, budgets for current and preceding two years, the most recent audit, and M&O and I&S data in a format prescribed by the Comptroller

House Ways & Means Committee Hearing: March 8, 2017

Bill	Subject	Companion Bill
HB 457 by Holland	Relating to confidentiality of home address information of spouses and surviving spouses of peace officers and their adult children	
HB 777 by Ashby	Relating to eligibility of land for open-space designation to continue if the owner is a member of the armed services deployed or stationed outside of Texas	SB 175 (Nichols)
HB 1186 by Anderson, Rodney	Allowing the tax assessor of the Dallas County Utility and Reclamation District to file applications for homestead exemptions for certain property that is part of a tax abatement agreement	Duplicate filed by Anderson—HB 549
HB 1346 by Button	Changing the date to prepay taxes on a dealer's heavy equipment inventory from the 10 th day of the month to the 20 th day of the month	SB 711 (Taylor, Van)

Senate Finance Committee Hearing: March 14, 2017

Bill	Subject	Companion Bill
SB 2 by Bettencourt	Changing property tax rollback rate from 8% to 4%, requiring elections to exceed the limit, and providing changes to property tax administration	
SB 330 by Rodriguez	Allowing land to be designated as open-space with one year of use history if owned by a veteran of the United States armed forces or a person who is less than 35 years of age who has not been the principal operator of a farm or ranch for any period of more than 10 consecutive years	HB 950 (Rodriguez, Justin)
SB 448 by Burton	Requiring additional taxpayer notification if the chief appraiser determines that a person does not qualify for deferral or abatement of taxes	HB 2028 (Goldman)
SB 629 by Schwertner et.al.	Deleting interest on rollback penalties for the change of use of agricultural or open-space land	HB 2314 (Murphy)



Senate Finance Committee Hearing (cont'd)

Bill	Subject	Companion Bill
SB 669 by Nelson	Changing provisions related to appraisal review boards	
SB 717 by Taylor, Van	Requiring reappraisal of property damaged in a disaster declared by the governor	HB 513 (Davis, Sarah)
SB 730 by Bettencourt	Exempting income-producing tangible personal property with a value of less than \$2,500, rather than \$500	HB 1330 (Kuempel)
SB 731 by Bettencourt	Allowing requests for binding arbitration for property valued at \$5 million or less (rather than \$3 million) and adjusting deposit amount	Included in SB 2 and HB 3168 (Geren)

Senate Finance Committee Hearing (cont'd)

Bill	Subject	Companion Bill
SB 870 by Bettencourt	Prohibiting appraisal review boards from scheduling protest hearings on Sundays	Included in SB 2
SB 945 by Bettencourt	Permitting chief appraisers to correct erroneous denials or cancellations of residence homestead exemptions for persons who are disabled or age 65 or older, surviving spouses, and disabled veterans	HB 2227 (Murphy)
SB 946 by Bettencourt	Changing deadlines for applications for Freeport exemptions, allocations, renditions, and notices of protest	HB 2228 (Murphy)
SB 972 by Zaffirini	Permitting property owners to request that their property be reappraised if a building is completely destroyed by casualty; requiring the chief appraiser to do so and the proration of taxes accordingly	

OTHER BILLS

Bill	Subject	Companion Bill
HB 27 by Springer	Requiring comparable properties to have the same highest and best use in determining market value and consideration of continuation of current use	
HB 3138 by Geren	Creating a taxpayer ombudsman office in the Comptroller's office to handle taxpayer complaints, making changes to appraisal review board administration, and creating special appraisal review board panels to hear protests of complex properties, if requested by owners	
HB 2253 by Darby	Authorizing the district court to determine refund and interest amounts in judgments of value appeals	
HB 2589 by Button	Creating an appraisal methodology for retailer's retail inventory to be the total annual sales, less inventory shrinkage, sales at wholesale, and sales to retailers for the preceding 12-month period, divided by 12	



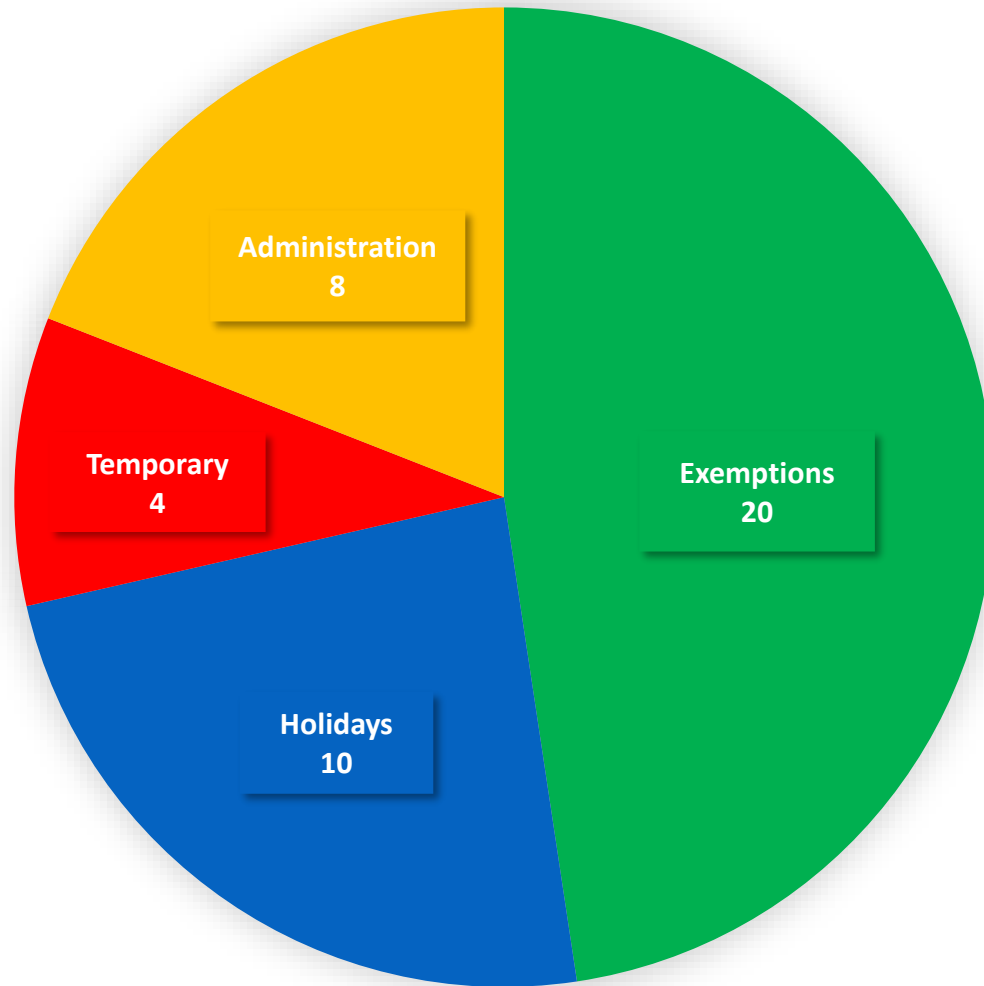
CETRZ Repeal Bills

HB 2813 Darby & SB 1305 Nichols

- Repeals Subchapter C, Chapter 256, Transportation Code, – statutory authorization for County Energy Transportation Reinvestment Zones (CETRZ)

Sales Tax

42 Bills Introduced



Comptroller Bills

HB 1351 Wray

- Adds CNG/LNG to the list of motor fuels (gasoline, diesel fuel, liquefied gas) that may not be taxed locally

HB 2281 Darby

- Clarifies that all companies that sell utility service are subject to gross receipts tax

HB 2563 Shine

- Clarifies definition of exempt recordings to exclude YouTube-type videos

HB 2756 Cook

- Extends the deadlines for filing a redetermination petition or a refund hearing request from the current 30 to 60 days.

Comptroller Bills

SB 745 Kolkhorst

- Changes exclusion for temporary employment services to an exemption and clarifies qualifying conditions for exemption.

HB 2829 Oliveira

- Expands the Comptroller's current audit authority re unclaimed property by granting subpoena power for discovery and enforcement purposes to the Comptroller or the Comptroller's "designee."

Comptroller Bills

HB 3366 by Bohac – SB 1539 by Watson

- Bill making several changes to the definition of what qualifies as a sale for resale
 - Removes inclusion of items that will be resold with another item – “~~with or~~ as a taxable item”
 - Replaces the provision relating to property used to perform contractual services with ~~the federal government~~” with governmental entities and religious, educational, and public service organizations as defined in the Code
 - Excludes “property that will be used, consumed, or expended in, or incorporated into, an oil or gas well by a purchaser” that will use it to perform a taxable oil well service

Other Tax Bills

HB 2513 Uresti

- Increases the diesel fuel tax rate from 20¢ to 22¢ per gallon.

HB 2514 Uresti

- Increases the cigarette tax rate from \$1.41 to \$1.66 per pack and dedicates revenue from the 25¢ increase to the Foundation School Fund.

Thanks for Joining Us!

If you have any questions or comments, please feel free to contact TTARA staff.

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