

BILL ANALYSIS

Senate Research Center

S.B. 1778
By: Shapleigh
Finance
4-2-97
As Filed

DIGEST

Currently, the comptroller is not required to report to the legislature and governor prior to the legislative session regarding the overall incidence of each state tax, nor is the Legislative Budget Board, during session, required to prepare an incidence impact analysis of a bill or resolution that would affect taxes by more than \$20,000,000. This bill would require the comptroller, prior to session, and the Legislative Budget Board, during session at the request of a committee chair, to identify the impact of the current tax system and proposed changes through "tax incidence analysis," which illustrates how current and proposed taxes affect different segments of the Texas population.

PURPOSE

As proposed, S.B. 1778 requires the comptroller to report to the legislature and governor before each regular legislative session an analysis on the overall incidence of state tax. In addition, this bill requires the Legislative Budget Board, at the request of a committee chair, to prepare an incidence impact analysis of a bill or resolution that would increase, decrease, or redistribute tax by more than \$20,000,000.

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 Chapter 403B, Government Code, by adding Section 403.0141, as follows:

Sec. 403.0141. REPORT ON INCIDENCE OF TAX. Requires the comptroller, before each regular session of the legislature, to report to the legislature and the governor on the overall incidence of each state tax, including but not limited to certain taxes. Requires the analysis to report on the distribution of the tax burden. Requires the Legislative Budget Board, with the assistance, as requested, of the comptroller, to prepare an incidence impact analysis of the bill or resolution, at the request of the chair of a committee of the senate or house of representatives to which has been referred a bill or resolution to change the tax system which would increase, decrease, or redistribute tax by more than \$20,000,000. Requires the analysis to report on the incidence impact analysis under Subsections (a) and (b). Set forth additional requirements regarding the analysis.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.