

BILL ANALYSIS

Senate Research Center

S.B. 590
By: Duncan
Intergovernmental Relations
2-22-97
As Filed

DIGEST

Currently, state law allows the collection of sales tax by the Office of the Comptroller to be used for limited purposes. However, in certain instances, the implementation and collection of limited taxes causes the cumulative sales tax rate to exceed the 2 percent cap, as provided by state law. This bill sets forth requirements for the adoption or increase of local sales and use taxes by adding provisions to Section 321.101, Tax Code, to provide adjustments in the tax rate cap.

PURPOSE

As proposed, S.B. 590 sets forth the requirements for the adoption or increase of local sales and use taxes by a municipality or county in which previous elections adopting the taxes are invalid.

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 321.101, Tax Code, by adding Subsection (h), to authorize a municipality, in which the adoption or increase of a sales and use tax approved by the voters in an election is void, to adopt or increase the sales and use tax previously approved by the voters by an ordinance or resolution of the governing body of the municipality if certain conditions exist. Requires the governing body of the municipality to decide to adopt or increase the sales and use tax before June 30, 1997. Requires the municipal secretary to send the comptroller a certified copy of the ordinance or resolution by regular or certified mail, if the governing body of the municipality adopts or increases the sales and use tax under this subsection. Sets forth the date the tax takes effect. Provides that this subsection expires October 1, 1998.

SECTION 2. Amends Section 323.101, Tax Code, by adding Subsection (g), to authorize a county, in which the adoption or increase of a sales and use tax approved by the voters in an election is void, to adopt or increase the sales and use tax previously approved by the voters by a resolution of the commissioners court if certain conditions exist. Requires the commissioners court of the county to decide to adopt or increase the sales and use tax before June 30, 1997. Requires the county judge to send the comptroller a certified copy of the resolution by regular or certified mail, if the commissioners court adopts or increases the sales and use tax under this subsection. Sets forth the date the tax takes effect. Provides that this subsection expires October 1, 1998.

SECTION 3. Emergency clause.
Effective date: upon passage.