

By: Creighton

S. B. No. 186

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the franchise tax and alternative revenue sources and
3 spending priorities for this state; repealing the franchise tax.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. This Act may be cited as the Revenue Reform Act
6 of 2015.

7 SECTION 2. (a) The comptroller of public accounts shall
8 conduct a comprehensive study that:

9 (1) analyzes and compares:

10 (A) the feasibility of implementing alternative
11 methods to the franchise tax imposed under Chapter 171, Tax Code, by
12 which revenue may be generated to address the needs of this state;
13 and

14 (B) the effectiveness of each of those methods in
15 generating sufficient revenue to address those needs; and

16 (2) prioritizes the revenue needs of this state and
17 identifies potential reductions in expenditures by this state.

18 (b) The comptroller of public accounts shall consider the
19 funding priorities and requirements established by the Texas
20 Constitution in prioritizing the revenue needs of this state as
21 required by Subsection (a)(2) of this section.

22 (c) The study conducted under Subsection (a) of this section
23 must include an analysis and comparison of the following
24 revenue-generating methods:

S.B. No. 186

18 (d) Not later than November 1, 2016, the comptroller of
19 public accounts shall submit a report to the legislature regarding
20 the results of the study conducted under this section. The report
21 must:

22 (1) identify one or more revenue-generating methods
23 the comptroller determines would be most effective in meeting the

S.B. No. 186

4 SECTION 3. Effective January 1, 2020, Chapter 171, Tax
5 Code, is repealed.

6 SECTION 4. The change in law made by Section 3 of this Act
7 does not affect tax liability accruing before the effective date of
8 that section. That liability continues in effect as if this Act had
9 not been enacted, and the former law is continued in effect for the
10 collection of taxes due and for civil and criminal enforcement of
11 the liability for those taxes.

12 SECTION 5. Except as otherwise provided by this Act, this
13 Act takes effect September 1, 2015.