

ANALYSES OF PROPOSED CONSTITUTIONAL AMENDMENTS

88th Texas Legislature November 7, 2023, Election

Published by the Texas Legislative Council August 2023

Lieutenant Governor Dan Patrick, Joint Chair Speaker Dade Phelan, Joint Chair
Jeff Archer, Executive Director

SUMMARY OF COMMENTS

The following comments supporting or opposing the proposed amendment reflect positions that were presented in committee proceedings, during house or senate floor debate, or in the analysis of the resolution prepared by the House Research Organization (HRO) when the resolution was considered by the House of Representatives.

Comments by Supporters

- Despite not having a corporate or individual income tax, Texas has a high effective tax rate for medical manufacturers as compared to other states. Taxes on medical and biomedical manufacturing inventory discourage capital investment in and the expansion of this industry in Texas.
- Most medical and biomedical manufacturing is located abroad, and the cost to ship medical supplies to the United States increased more than 50 percent in 2021, causing Texans to pay more for vital supplies. Encouraging local manufacturing would eliminate the added shipping costs.
- Inflationary pressures and supply chain constraints further contribute to the need to regionalize manufacturing.
- Since 2020, Texas has missed opportunities for billions of dollars in private investment for biomedical manufacturing because it lacks tax incentives that other states provide.
- The proposed tax exemption would encourage investment in medical and biomedical manufacturing in Texas, which in turn would promote innovation and advancement in medical technologies, strengthen Texas' medical supply chain, and create jobs.

Comments by Opponents

- No opposition to the proposed constitutional amendment was expressed during legislative consideration of the proposal.