

ANALYSES OF PROPOSED CONSTITUTIONAL AMENDMENTS

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SUMMARY ANALYSIS

H.J.R. 132 would amend the Texas Constitution to prohibit the legislature from imposing a tax on the wealth or net worth of individuals or families. The prohibition would specifically cover a tax on the amount equal to the difference between the assets and liabilities of an individual or family.

BACKGROUND AND DETAILED ANALYSIS

Texas does not currently impose a state tax on the wealth or net worth of an individual or family. However, because Section 1, Article VIII, Texas Constitution, requires or authorizes, under certain circumstances, the taxation of both tangible and intangible property, a tax on an individual's or family's wealth or net worth, such as a property tax on an individual's stock holdings or bank accounts, is not strictly prohibited by the Texas Constitution.

H.J.R. 132 amends Article VIII, Texas Constitution, by adding Section 25, which would prohibit the imposition of a tax on the wealth or net worth of individuals or families, including a tax based on the difference between the assets and liabilities of an individual or family.