

ANGIE CHEN BUTTON



The State of Texas
House of Representatives



May 10, 2013

Friends,

Happy Teacher Appreciation Week! There are only seventeen days remaining in the 83rd regular legislative session. Yesterday marked the last day for the House to consider House Bills on second reading. We worked right up until midnight last night. HBs that were not heard by the deadline are considered dead. All of the HBs that passed are now over in the hands of the Senate.

A couple of weeks ago, I informed everyone about my resolution, HCR 97, which designates the twelve county area around the Metroplex as the Texas Connectivity Hub to help encourage cohesion and marketing efforts within the region. I am happy to report that it passed the House and is now on its way to the Senate.

Research & Development

Research and Development (R&D) are activities that a company conducts with the intent of making discoveries that lead to the development of new or improved products and/or procedures. Companies that engage in R&D often experience future growth. Only seven states do not offer a specific tax incentive for R&D. Texas is one of those states because when the margins tax was reformed in 2006, an R&D credit was not included.

Several pieces of legislation were filed this session to address this. HB 800, which I joint-authored with my colleague Representative Jim Murphy from Houston, passed the House last week. This is a comprehensive bill that included language from two of my own bills, HB 414 and HB 953. HB 800 is currently in the Senate.

On Tuesday of this week, the House passed HB 953 which offers a higher credit for R&D performed in conjunction with an institute of higher learning. While some of the language from HB 953 was included in HB 800, because of the nature of the bill and the importance of R&D to our state, the House felt it was necessary to pass this legislation in order to encourage the collaboration between businesses and higher education. University-based research is important to innovation because early-stage research that is performed at universities serves to expand the

knowledge pool from which the private sector draws ideas and innovation. Research and development drives innovation. Innovation drives economic growth, creating jobs and improving living standards. I was proud to carry this bill for our state, and I look forward to it passing the Senate and being signed by the Governor.

Reducing Taxes for Texans

On Tuesday, the House voted to provide \$667 million in relief to Texas businesses. This legislation, authored by Ways & Means Chairman Harvey Hilderbran, myself, and several of our colleagues, consisted of a compilation of legislation we heard in the Ways & Means Committee and other issues that have been brought to us about inequities in our current tax system. I offered two amendments to this comprehensive bill.

The first of these amendments provides relief to the Aerospace and Defense (A&D) industry. Currently this industry, which includes companies like Raytheon in our district, is responsible for approximately 342,000 jobs and generates \$27 billion in revenue in Texas annually.

Unfortunately, as a result of the sequester and other market factors, many in this industry are having to restructure and consolidate. Although Texas is a leader in pro-business policies, because of the nature of A&D businesses and our current tax structure, they were not being treated fairly in regards to taxation involving their federal contracts. The amendment I offered sought to remedy these issues so that when companies have to make difficult decisions to consolidate and/or relocate, they will think twice before leaving Texas.

The second amendment I offered was to provide relief to small businesses and retailers. Anytime a credit card is used at a business, the credit card company turns around and charges that business for processing the transaction. Texas is one of only ten states that prohibits merchants from surcharging customers to defray costs associated with accepting credit and debit cards. These fees are a major expense for Texas businesses, with the average fee for accepting a debit or credit card equaling between two and three percent per transaction. For sales of gasoline and diesel fuel, these fees equal between four and seven cents per gallon. This amendment permits a portion of the costs “attributable to the acceptance of credit cards and debit cards as a means of payment” to be considered a costs of goods sold for determining tax liability.

Asian Pacific American Heritage Day at the Capitol

May is Asian Pacific American Heritage Month. In honor of this occasion, I hosted Asian Pacific American Heritage Day at the Capitol on Wednesday, May 8th. We had Asian American leaders from across the state at the Capitol. In the morning, the group met with Gov. Rick Perry where we discussed ways to leverage our ability to increase our exports to Asian countries and to create more jobs for Texans. The group also received a resolution on the House floor. I would like to thank everyone who came to the Capitol for this wonderful celebration. Texas has become an increasingly important exporter to Asia. In 2012, China, South Korea, Singapore, Japan, Saudi Arabia, and Taiwan were among the twenty top importers of Texas goods and services in the world.



Here I am with Governor Rick Perry, Representative Hubert Vo, and Representative Gene Wu with Asian Americans from across Texas visiting their state Capitol for Asian Pacific American Heritage Day.

Technology in Our Schools

As the Vice-Chair of the Technology Committee, I met with several schools around the District to discuss technology and education. As a result of those meetings, I authored HCR 104 which passed the House this week. This resolution encourages schools to embrace the use of technology in teaching. Outside the classroom, students use technology to develop their own form of learning and engaging with others. In schools, technology helps make learning more student-centered and tailored to their own learning style. Ricahrdson ISD has implemented a "Bring Your Own Device" program with great success that allows students to bring their smart phones and tablets and incorporate them in their assignments. Such use of technology will help improve the quality of education that students here in Texas receive.



I was glad to speak to the 2013 Class of Leadership Garland when they came down to the Capitol to see their state legislature in action this week. This year's class was very large numbering over 30 individuals. I took questions from them and gave them an update on this legislative session.

It is an honor to serve as your State Representative. Please continue to communicate your views on issues that are important to you.

Sincerely,

Angie Chen Button

If you would like to be added or removed from this mailing, please e-mail Angie.Button@house.state.tx.us.