

**SUBJECT:** Prohibiting a tax on securities transactions or occupations

**COMMITTEE:** Ways & Means — favorable, without amendment

**VOTE:** 12 ayes — Meyer, Martinez Fischer, Bernal, Button, Capriglione, Gervin-Hawkins, Hickland, Muñoz, Noble, V. Perez, Troxclair, Vasut

0 nays

1 absent — Turner

**WITNESSES:** For — Bill Lauderback, TXSE Group Inc (Texas Stock Exchange);  
(*Registered, but did not testify:* Daniel Hodge, Texas Stock Exchange)

Against — (*Registered, but did not testify:* Fran Rhodes, True Texas Project)

**DIGEST:** HJR 4 would amend the Texas Constitution to prohibit the Legislature from imposing an occupation tax on a registered securities market operator or a tax on a securities transaction conducted by a registered securities market operator.

A registered securities market operator would mean certain entities to the extent they were regulated by the United States Securities and Exchange Commission or the United States Commodity Futures Trading Commission, including:

- a self-regulatory organization, financial institution, broker, dealer, clearing agency, or transfer agent;
- a national securities exchange;
- an alternative trading system, board of trade, commodity pool operator, derivatives clearing organization, electronic trading facility, or organized exchange;
- an affiliate, subsidiary, or facility of one of the above entities; or
- a trade reporting facility.

The resolution would not prohibit the change of a tax rate in existence on January 1, 2026, or the imposition of:

- a general business tax measured by business activity;
- a tax on the production of minerals;
- a tax on insurance premiums;
- sales and use taxes on tangible personal property or services; or
- a fee based on the cost of processing or creating documents.

The ballot proposal would be presented to voters at an election on November 4, 2025, and would read: “The constitutional amendment prohibiting the legislature from enacting a law imposing an occupation tax on certain entities that enter into transactions conveying securities or imposing a tax on certain securities transactions.”

**SUPPORTERS  
SAY:**

HJR 4 would protect the earnings of Texas investors and boost the Texas economy by amending the state Constitution to prohibit taxes on securities transactions and occupations. As the Texas Stock Exchange is in the process of being established and other national stock exchanges consider moving to the state, it is important to prevent taxes that would have a detrimental effect on the Texas economy. Financial-transaction taxes raise transaction costs, which can lead to decreased trade volume, lower asset prices, less efficient markets, increases in the cost of capital, and increases in the cost of consumer goods. HJR 4 would benefit Texas taxpayers and assure investors that Texas is committed to providing a low-tax, business-friendly environment.

**CRITICS  
SAY:**

HJR 4 would make it harder for future legislatures to make tax policy by including a prohibition on securities transaction taxes in the state constitution. The state may experience an economic downturn and could benefit from having a securities transaction or occupation tax to raise revenues at that time.

**NOTES:**

According to the Legislative Budget Board, HJR 4 would have no anticipated cost to the state other than the cost of publication, which would be \$191,689.

