

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 31, 2003

TO: Honorable Ron Wilson, Chair, House Committee on Ways & Means

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB376 by Dutton (Relating to a requirement that retail grocers post a sign listing items that are exempt from the sales and use tax.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 151 of the Tax Code to require a retail grocer to post a sign, in a conspicuous location, listing relevant items that are exempt from the limited sales and use tax.

The Comptroller would prescribe, by rule, the design and size of such signs, as well as the list of items to be printed on the sign. The Comptroller would have to review the sign on a biennial basis for possible amendment. Signs would be provided to retail grocers by the Comptroller at a reasonable charge.

The bill would take effect September 1, 2003. Retail grocers would have to post signs no later than January 1, 2004.

Under the bill, the Comptroller would have to provide signs to retail grocers at a "reasonable charge." Although it is not precisely known at this time how many signs would be required by grocers, or how much would be charged for each sign, it is assumed that sign sales would have no significant effect on the state's revenue stream.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, SD, WP, SM