

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 29, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB702 by Solomons (Relating to the application of the sunset review process to state taxes.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB702, As Introduced: a negative impact of (\$323,980) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$161,990)
2005	(\$161,990)
2006	(\$161,990)
2007	(\$161,990)
2008	(\$161,990)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2003
2004	(\$161,990)	2.0
2005	(\$161,990)	2.0
2006	(\$161,990)	2.0
2007	(\$161,990)	2.0
2008	(\$161,990)	2.0

Fiscal Analysis

The bill would amend the Sunset Law (Government Code, Chapter 325) by adding a section directing the Sunset Advisory Commission to perform periodic evaluations of the state taxes imposed by the Tax Code.

The commission would present its findings to each regular session of the Legislature and to the Governor, along with drafts of legislation designed to implement its recommendations.

The bill would amend the Tax Code to state that the taxes imposed by Subtitles E, F, G, H, I, and J would be subject to sunset provisions. For a tax the commission had evaluated, the chapter or subtitle imposing the tax would be repealed on October 1 of the year in which the commission reported that evaluation, unless the Legislature retained the tax.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

Methodology

It is presumed that the Legislature would retain all taxes affected by the bill. The Sunset Advisory Commission indicates the cost to the agency for implementing the provisions of the bill would total \$161,990 each year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts

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