

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**March 17, 2003**

**TO:** Honorable Carlos Uresti, Chair, House Committee on Human Services

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB1557** by Coleman (Relating to the eligibility of certain employers for a state tax refund for certain wages paid or incurred.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1557, As Introduced: a negative impact of (\$9,777,000) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2004	\$0
2005	(\$9,777,000)
2006	(\$10,755,000)
2007	(\$11,831,000)
2008	(\$13,013,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1</b>
2004	\$0
2005	(\$9,777,000)
2006	(\$10,755,000)
2007	(\$11,831,000)
2008	(\$13,013,000)

**Fiscal Analysis**

The bill would amend Chapter 301 of the Labor Code by amending Section 301.104 to include the additional requirement that an employee's transitional medical assistance benefits have terminated before an employer would be eligible for a tax refund for wages paid or incurred by the person for services of an employee who is receiving financial or medical assistance and services under Chapters 31 or 32 of the Human Resources Code.

**Methodology**

According to the Comptroller of Public Accounts, the estimated costs are based on information provided by the Texas Workforce Commission, including the number of job certification claims received, the number certified, the growth rate for claims, and the average refund for a certified claim.

The estimate assumes the number of claims certified would increase to the number certified under the federal Work Opportunity Tax Credit, which has no requirement for medical benefits. There would be no fiscal impact in fiscal year 2004 for the larger number of jobs certified because refund claims established in 2004 would be paid the following fiscal year.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller Of Public Accounts, 320 Texas Workforce Commission, 529 Health And Human Services Commission

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