

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 28, 2005

TO: Honorable Jim Keffer, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB290 by Chisum (Relating to the application of the motor vehicle sales tax emissions reduction surcharge on certain motor homes.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB290, As Introduced: an impact of \$0 through the biennium ending August 31, 2007.

The following table assumes a July 1, 2005 effective date.

All Funds, Six-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>TEXAS EMISSIONS REDUCTION</i> <i>PLAN</i> <i>5071</i>
2005	(\$112,000)
2006	(\$459,000)
2007	(\$472,000)
2008	(\$481,000)
2009	(\$41,000)
2010	\$0

The following table assumes an October 1, 2005 effective date

Fiscal Year	Probable Revenue Gain/(Loss) from <i>TEXAS EMISSIONS REDUCTION</i> <i>PLAN</i> <i>5071</i>
2006	(\$459,000)
2007	(\$472,000)
2008	(\$481,000)
2009	(\$41,000)
2010	\$0

Fiscal Analysis

The bill would amend Chapter 152 of the Tax Code to exempt certain motor homes from the Texas Emissions Reduction Plan surcharge.

The bill would exclude a motor home for personal use from the 1 percent surcharge imposed on the retail sale, lease, or use of every model year 1997 or later diesel powered motor home weighing over 14,000 pounds.

The Comptroller could adopt emergency rules for the implementation of the bill.

The bill would take effect on the first day of the first month beginning on or after the earliest date on which the bill could take effect if it received a vote of two-thirds of all the members elected to each house.

Methodology

It is estimated that Texas accounts for approximately 7.2 percent of U.S. motor home sales annually, or about 1,670 new class A units. A sample of Texas listings for sale of class A motor homes, model years 1997 through 2005, indicated an average price of approximately \$218,400 for model year 2005 and \$146,500 for model years 1997 through 2004. The surcharge of 1 percent was then applied and adjusted for trade-in value and non-personal use. A growth rate of 2 percent was applied to each fiscal year.

The Texas Emissions Reduction Plan Surcharge expires September 30, 2008.

For the purposes of this fiscal note, June 1, 2005 was used as the effective date if the bill were to take effect immediately upon passage.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, WP, SM