

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 16, 2007**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

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

**IN RE: HB646** by McCall (Relating to an exemption from the sales tax for nonvehicular fuel cells.),  
**As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend Chapter 151 of the Tax Code to create a sales tax exemption for nonvehicular fuel cells. The exemption would expire January 1, 2015.

This bill would take effect September 1, 2007.

The bill would exempt fuel cells from the sales tax. Under current law, power generation equipment is exempted from the sales tax under Section 151.318 of the Tax Code; and the purchase of such equipment does not generate revenue for the state. Fuel cell technology has not yet been widely adopted as a means of providing for power for industrial or commercial applications. Therefore, the sales tax exemption for fuel cells would not have a significant fiscal impact on the state.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, CT