

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 3, 2007

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

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 Introduced

No significant fiscal implication to the State is anticipated.

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