

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

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

**April 17, 2007**

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

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

**IN RE: HB1000** by Burnam (Relating to exemptions from the sales tax for certain energy efficient products for a limited period.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1000, As Engrossed: a negative impact of (\$11,378,000) through the biennium ending August 31, 2009, if the effective date of the bill is July 1, 2007; or a negative impact of (\$9,206,000) through the biennium ending August 31, 2009, if the effective date of the bill is October 1, 2007.

The table below assumes an effective date of July 1, 2007.

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

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>Cities</i>	Probable Revenue Gain/(Loss) from <i>Transit Authorities</i>	Probable Revenue Gain/(Loss) from <i>Counties</i>
2007	(\$2,172,000)	(\$417,000)	(\$143,000)	(\$54,000)
2008	(\$4,514,000)	(\$867,000)	(\$297,000)	(\$112,000)
2009	(\$4,692,000)	(\$901,000)	(\$309,000)	(\$116,000)
2010	(\$4,881,000)	(\$937,000)	(\$322,000)	(\$121,000)
2011	(\$5,056,000)	(\$971,000)	(\$333,000)	(\$125,000)
2012	(\$5,238,000)	(\$1,006,000)	(\$345,000)	(\$130,000)

The table below assumes an effective date of October 1, 2007.

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>Cities</i>	Probable Revenue Gain/(Loss) from <i>Transit Authorities</i>	Probable Revenue Gain/(Loss) from <i>Counties</i>
2008	(\$4,514,000)	(\$867,000)	(\$297,000)	(\$112,000)
2009	(\$4,692,000)	(\$901,000)	(\$309,000)	(\$116,000)
2010	(\$4,881,000)	(\$937,000)	(\$322,000)	(\$121,000)
2011	(\$5,056,000)	(\$971,000)	(\$333,000)	(\$125,000)
2012	(\$5,238,000)	(\$1,006,000)	(\$345,000)	(\$130,000)

**Fiscal Analysis**

The bill would amend Chapter 151 of the Tax Code to create a sales tax exemption for certain energy-efficient products sold during a period beginning on the last Saturday preceding the last Monday in May or during a period around July 4.

The bill would require that the exempted energy-efficient products must be designated as Energy Star qualified products by the U.S. Department of Energy and purchased for noncommercial home or personal use; and would include clothes washers, ceiling fans, dehumidifiers, dishwashers, incandescent or fluorescent light bulbs, and programmable thermostats; as well as certain refrigerators and air conditioners.

The bill would take effect July 1, 2007 if it receives two-thirds majority votes in each house; otherwise, it would take effect October 1, 2007.

### **Methodology**

This analysis is based upon an estimate provided by the Comptroller of Public Accounts using data from the U.S. Department of Energy on the sale of the specified energy efficient products. For the purpose of this analysis, the Comptroller adjusted sales data to reflect sales made in Texas for personal use and for the appropriate price range and time period, and multiplied the data by the state sales tax rate. The estimates were adjusted for the potential effective dates of July 1, 2007 and October 1, 2007, and extrapolated through fiscal 2012. The Comptroller proportionally estimated the fiscal impacts on units of local government.

### **Local Government Impact**

The fiscal impact to local government is illustrated in the above tables.

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

**LBB Staff:** JOB, CT, SD, EB