

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 2, 2007

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

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

IN RE: HB1964 by McCall (Relating to a deduction under the franchise tax for physicians who administer vaccines.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1964, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Property Tax Relief Fund</i> 304
2008	(\$2,000,000)
2009	(\$2,090,000)
2010	(\$2,184,000)
2011	(\$2,282,000)
2012	(\$2,385,000)

Fiscal Analysis

The bill would amend Chapter 171 of the Tax Code relating to a franchise tax deduction for physicians who administer vaccines.

The bill would allow an exclusion from total revenue for the actual cost for a vaccine dispensed by a physician or a person directed by the physician. The bill would also allow an exclusion from total revenue for any fee received by the taxable entity for the vaccine dispensed if the fee were otherwise included in total revenue.

The bill would take effect on January 1, 2008, and it would apply to a franchise tax report due on or after that date.

Methodology

This estimate is based upon analyses provided by the Comptroller's Office.

The estimated fiscal impact is based on historical data on expenditures for vaccines and costs for the immunization of children. The estimate was adjusted for the revenue exclusion provided by Section 171.1011(n).

Note: House Bill 2, 79th Legislature, Third Called Session (2006) dedicates to the Property Tax Relief Fund 0304 all revenues collected under Chapter 171 in excess of the amount that would have been collected under the chapter as it existed on August 31, 2007. The following fiscal impact table reflects that dedication. The General Revenue Fund will be obliged to compensate for the portion of property tax relief not funded by the revenues in the Property Tax Relief Fund.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, SD, SM