

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: HB1965 by McCall (Relating to a tax credit for donations of certain art to art museums in this state that are open to the public.), **As Introduced**

Because it is unknown what value of qualifying donations would be made under the bill, or when such donations might be made, the fiscal impact cannot be projected with any degree of certainty.

The bill would amend Chapter 171 of the Tax Code to create a franchise tax credit for taxable entities that donate works of art to a public art museum in this state.

To qualify for the credit, the taxable entity would have to have owned the work of art for at least five years, and the museum receiving the work of art would have to intend to include the work in its permanent collection. The credit would be equal to the appraised value of each work of art donated during the privilege period, limited to the amount of tax due for the privilege period. The credit could only be used for the period in which the donations were made and could not be conveyed or transferred to another entity.

The bill would require the Comptroller to adopt rules necessary to implement the credit.

The bill would take effect January 1, 2008, and it would apply only to tax reports originally due on or after that date.

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