

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: HB2726 by Goolsby (Relating to an exemption from the franchise tax for certain benefits consortiums.), **As Introduced**

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| No significant fiscal implication to the State is anticipated. |
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The bill would amend Chapter 171 of the Tax Code by adding a franchise tax exemption for a benefits consortium for certain private educational institutions.

To be eligible for the exemption, the consortium would have to be formed under Chapter 2000 of the Education Code. The Education Code allows two or more private educational institutions to form a self-funded employee welfare benefit plan if certain conditions are met.

The bill would take effect January 1, 2008.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, SM