

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 24, 2007

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

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

IN RE: HB3946 by Herrero (Relating to an automatic extension of the sales tax holiday on clothing and footwear in certain fiscal years.), **As Introduced**

According to the Comptroller of Public Accounts, the fiscal impact of this bill cannot be estimated; however, since the sales tax holiday was implemented in 1999, actual collections for a fiscal year have not exceeded estimated fiscal year collections by the first Thursday in August.

The bill would amend Chapter 151 of the Tax Code relating to an automatic extension of the sales tax holiday on clothing and footwear in certain fiscal years. The bill would extend the current three-day sales tax holiday on clothing and footwear until August 31st, if for any fiscal year at 11:59 p.m. on the first Thursday in August actual state sales tax collections equaled or exceeded the official revenue estimate for collections for that fiscal year. Under current law, the sales tax holiday begins on the first Friday in August and ends on the following Sunday.

The bill would take effect September 1, 2007.

Local Government Impact

According to the Comptroller of Public Accounts, the local government fiscal impact of this bill cannot be estimated; however, since the sales tax holiday was implemented in 1999, actual collections for a fiscal year have not exceeded estimated fiscal year collections by the first Thursday in August.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, CT, SD, EB