

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 22, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: SB190 by Brimer (Relating to sales and use tax information provided by the comptroller to certain municipalities.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 321 of the Tax Code to require the Comptroller of Public Accounts to provide municipal sales tax information, upon request, to a municipality that had adopted a sales tax. Under current law, municipalities that have adopted a sales tax and that have a population of not more than 275,000 may request detailed sales tax information from the Comptroller relating to the amount of tax paid to the municipality during the preceding or current calendar year by each person doing business in the municipality who annually reports state and local sales tax payments of more than \$25,000. The proposed bill would remove the existing population limit and would allow municipalities that do not impose an ad valorem tax to request of the Comptroller the same information by each person doing business in the municipality who annually reports state and local sales tax payments of more than \$500.

The Comptroller's office reports that the number of municipalities that could request this information would significantly increase; however, no significant fiscal implication is anticipated due the assumption that duties and responsibilities associated with implementing provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect immediately upon enactment if it receives two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, DB, EB