

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 10, 2007**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

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

**IN RE: SB377** by Janek (Relating to the electronic payment of certain taxes and the electronic filing of certain reports.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB377, As Introduced: a positive impact of \$923,000 through the biennium ending August 31, 2009.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$449,000
2009	\$474,000
2010	\$474,000
2011	\$474,000
2012	\$474,000

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1
2008	\$449,000
2009	\$474,000
2010	\$474,000
2011	\$474,000
2012	\$474,000

**Fiscal Analysis**

The bill would amend Section 111.0625 of the Tax Code to direct the Comptroller to require, by rule, any taxpayer that paid \$10,000 or more during the preceding fiscal year in certain tax categories to transfer payments by electronic funds transfer (EFT) if the Comptroller reasonably anticipated that the taxpayer would pay at least that amount during the current fiscal year.

The tax categories covered would include state and local sales and use taxes, direct payment sales taxes, oil and gas severance taxes, insurance premium taxes, gasoline and diesel fuel taxes, hotel occupancy taxes, franchise taxes, mixed beverage gross receipts taxes, motor vehicle rental taxes, and telecommunications infrastructure taxes.

The bill would authorize the Comptroller, by rule, to apply the requirements to a category not listed, or remove the requirements to a category listed if the Comptroller determined that the action was necessary. The Comptroller would have to, by rule, provide for a waiver from the requirements for a taxpayer who could not comply because of hardship, impracticality, or other reason.

The Comptroller, by rule, would specify the types of EFT a taxpayer would have to use to comply with this section.

The bill would amend Section 111.0626 (a) of the Tax Code to direct the Comptroller to require, by rule, a taxpayer required under Section 111.0625 to transfer payments by EFT also file their reports electronically.

The bill would take effect January 1, 2008.

### **Methodology**

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

Annual savings to the General Revenue Fund 0001 would arise from annual gains in interest income attributable to an estimated two-day decrease in cash float, less 25 percent for the waiver provision of the bill. The change to EFT and electronic reporting from paper checks and paper reports would reduce the processing costs by \$1.93 per taxpayer, per pay period. The estimate for fiscal 2008 is prorated to account for the January 1, 2008 effective date.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, SD, CT