

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 21, 2009

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

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

IN RE: HB507 by Brown, Betty (Relating to an exemption from the sales and use tax for certain fund-raising sales conducted by a nonprofit organization that operates to benefit the patients of a state mental hospital.), **As Engrossed**

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| <p>No significant fiscal implication to the State is anticipated.</p> |
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The bill would amend Chapter 151 of the Tax Code, regarding the sales tax.

The bill would allow a nonprofit organization that operates to benefit the patients of Terrell State Hospital to hold a tax-free sale or auction once during each calendar month.

Currently, public service organizations can hold two tax-free sales each year. The bill would grant such organizations operating to benefit Terrell State Hospital the right to hold twelve tax-free sales each year.

The bill would take effect July 1, 2009, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2009.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, KK