

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 2, 2009**

**TO:** Honorable Rene Oliveira, Chair, House Committee on Ways & Means

**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 funding-raising sales conducted by a nonprofit organization that operates to benefit the patients of a state mental hospital.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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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 a state mental 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 a state mental 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