

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 21, 2009

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

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

IN RE: HB1376 by Thompson (Relating to the collection and allocation of local sales and use taxes.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapters 321 and 323 of the Tax Code, regarding municipal and county sales taxes.

The bill would clarify where the sale of a taxable item is consummated for the administration of local sales taxes. The bill would specify that a sale is consummated at the place of business from which a retailer ships a taxable item if the purchaser did not place the order in person at a place of business of the retailer. A sale would be consummated where the purchaser places the order if the purchaser places the order at a place of business of the retailer and the purchaser does not take possession or remove the item from a place of business of the retailer.

Since the bill only pertains to local sales tax collection, there would be no state revenue implications.

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

The bill could change the location at which the sale of a taxable item is consummated for the purpose of sourcing local sales taxes. The amount of local sales tax that would be sourced to different local jurisdictions under the provisions of the bill is not known. Therefore there could be an indeterminate amount of sales tax revenue gain or loss to various units of local government.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, KK