

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 22, 2009

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

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

IN RE: HB1902 by Branch (Relating to exemptions from the sales tax for certain energy-efficient products.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1902, As Introduced: a negative impact of (\$36,326,000) through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$17,694,000)
2011	(\$18,632,000)
2012	(\$19,496,000)
2013	(\$20,357,000)
2014	(\$21,247,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from General Revenue Fund 1	Probable Revenue (Loss) from Cities	Probable Revenue (Loss) from Transit Authorities	Probable Revenue (Loss) from Counties
2010	(\$17,694,000)	(\$3,291,000)	(\$1,122,000)	(\$465,000)
2011	(\$18,632,000)	(\$3,465,000)	(\$1,182,000)	(\$490,000)
2012	(\$19,496,000)	(\$3,626,000)	(\$1,236,000)	(\$512,000)
2013	(\$20,357,000)	(\$3,786,000)	(\$1,291,000)	(\$535,000)
2014	(\$21,247,000)	(\$3,952,000)	(\$1,347,000)	(\$558,000)

Fiscal Analysis

The bill would amend Chapter 151 of the Tax Code, regarding the sales tax, to create a sales tax exemption for computers that are designated as an Energy Star qualified product with a sales price of less than \$1,000 sold during the current sales tax holiday for energy-efficient products each May.

The bill would take effect September 1, 2009.

Methodology

Data on the U.S. sale of qualified computers were gathered from the U.S. Bureau of the Census. National sales were adjusted to reflect sales in Texas; adjusted for the appropriate price range and duration of the holiday period; multiplied by the state sales tax rate; and extrapolated through fiscal 2014.

Local Government Impact

There would be a proportional loss of revenue to units of local government.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, KK