

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 14, 2009

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

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

IN RE: HB1994 by McCall (Relating to a deduction under the franchise tax for physicians who administer vaccines.), **As Introduced**

The bill will have a direct impact of a revenue loss to the Property Tax Relief Fund of \$4,466,000 for the 2010-11 biennium. Any loss to the Property Tax Relief Fund will have to be made up with General Revenue of the same amount to fund property tax relief.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Property Tax Relief Fund</i> 304
2010	(\$2,184,000)
2011	(\$2,282,000)
2012	(\$2,385,000)
2013	(\$2,490,000)
2014	(\$2,600,000)

Fiscal Analysis

The bill would amend Chapter 171 of the Tax Code, relating to a franchise tax deduction for physicians who administer vaccines.

The bill would allow an exclusion from total revenue for the actual cost for a vaccine dispensed by a physician or a person directed by the physician.

The bill would allow an exclusion from total revenue for any fee received by the taxable entity for the vaccine dispensed if the fee were otherwise included in total revenue.

The bill would take effect on January 1, 2010, and it would apply to a franchise tax report due on or after that date.

Methodology

The estimated fiscal impact is based on historical data on expenditures for vaccines and cost for the immunization of children. The estimate was adjusted for the revenue exclusion provided by Section 171.1011(n) of the Tax Code.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, SM