

**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: HB2041** by Turner, Sylvester (Relating to exemptions from the sales tax for certain items used to survive severe weather.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2041, As Introduced: a negative impact of (\$22,944,000) 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	(\$11,178,000)
2011	(\$11,766,000)
2012	(\$12,313,000)
2013	(\$12,854,000)
2014	(\$13,410,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund 1</i>	Probable Revenue (Loss) from <i>Cities</i>	Probable Revenue (Loss) from <i>Transit Authorities</i>	Probable Revenue (Loss) from <i>Counties</i>
2010	(\$11,178,000)	(\$2,079,000)	(\$709,000)	(\$294,000)
2011	(\$11,766,000)	(\$2,188,000)	(\$746,000)	(\$309,000)
2012	(\$12,313,000)	(\$2,290,000)	(\$781,000)	(\$324,000)
2013	(\$12,854,000)	(\$2,391,000)	(\$815,000)	(\$338,000)
2014	(\$13,410,000)	(\$2,494,000)	(\$850,000)	(\$352,000)

**Fiscal Analysis**

This bill would amend Chapter 151 of the Tax Code to create a sales tax exemption for certain items used to survive severe weather.

Under the bill, items used to survive severe weather would include certain battery operated radios and televisions, batteries, first aid kits, generators, ice chests, manual can openers, sheets of plywood, and portable camp stoves. Each item would be exempt if its sales price did not exceed a specified amount.

The bill would exempt these hurricane preparation items if purchased during a period beginning on the Saturday preceding the last Monday in May and ending on the last Monday in May.

This bill would take effect September 1, 2009.

## **Methodology**

Data on the sale of the specified items were gathered from a variety of sources including the U.S. Bureau of the Census. Sales were adjusted to reflect Texas; adjusted for the appropriate price range and exemption period; multiplied by the state sales tax rate; and extrapolated through fiscal 2014. The fiscal impact on units of local government was estimated proportionally.

## **Local Government Impact**

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

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, MN, SD, KK