

**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: HB2391** by England (Relating to a franchise tax exclusion for contractual flow-through funds paid to certain performing artists.), **As Introduced**

The bill will have a direct impact of a revenue loss to the Property Tax Relief Fund of \$1,823,000 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	(\$900,000)
2011	(\$923,000)
2012	(\$955,000)
2013	(\$993,000)
2014	(\$1,033,000)

**Fiscal Analysis**

The bill would amend Chapter 171 of the Tax Code, regarding the franchise tax.

The bill would provide exclusions from total revenue for taxable entities for certain payments. The exclusions would be for payments made to a performing artist, entertainment act, touring show, or exhibition under contract to perform at a ticketed event in this state if the contract provided that the performer(s) would receive a guaranteed dollar amount or a percentage of the revenue from ticket sales.

**Methodology**

The estimated fiscal impact of the bill is based on 2008 franchise tax report information from taxable entities in the business of promoting performing arts events.

**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