

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 29, 2009

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

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

IN RE: HB2489 by Harper-Brown (Relating to the allocation of revenue from the motor vehicle sales tax to the state highway fund.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2489, As Introduced: a negative impact of (\$2,862,493,000) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$1,193,348,000)
2011	(\$1,669,145,000)
2012	(\$2,150,456,000)
2013	(\$2,694,547,000)
2014	(\$2,802,329,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>State Highway Fund</i> 6
2010	(\$1,193,348,000)	\$1,193,348,000
2011	(\$1,669,145,000)	\$1,669,145,000
2012	(\$2,150,456,000)	\$2,150,456,000
2013	(\$2,694,547,000)	\$2,694,547,000
2014	(\$2,802,329,000)	\$2,802,329,000

Fiscal Analysis

The bill would amend Chapter 152 of the Tax Code, to modify the allocations from the motor vehicle sales and use tax. Motor vehicle sales and use tax and related penalty revenues collected by county tax assessor-collectors and remitted to the Comptroller, net of the county's 5 percent commission for collecting those revenues, would be allocated as follows: in fiscal 2010, 50 percent to the State Highway Fund and 50 percent to the General Revenue Fund; in fiscal 2011, 67 percent to State Highway Fund and 33 percent to the General Revenue Fund; in fiscal 2012, 83 percent to the State Highway Fund and 17 percent to the General Revenue Fund; and in fiscal 2013 and beyond, 100 percent to the State Highway Fund.

The bill would take effect September 1, 2009.

Methodology

The estimated fiscal impact in the table above is based on estimates provided by the Comptroller's office for motor vehicle sales and use tax collections as reported in the Comptroller's 2010-2011 Biennial Revenue Estimate, adjusted for the varying allocations under the provisions of the bill. Taxes collected and remitted directly to the Comptroller by seller-financed permitted dealers are not included.

Motor vehicle sales and use tax and related penalty revenues dedicated to the Property Tax Relief Fund 0304 would not be affected.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation, 701 Central Education Agency

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