

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 19, 2009

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

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

IN RE: HB2654 by Oliveira (Relating to a joint statement relating to the transfer of a motor vehicle as the result of a gift.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2654, As Introduced: a positive impact of \$2,000,000 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	\$1,000,000
2011	\$1,000,000
2012	\$1,000,000
2013	\$1,000,000
2014	\$1,000,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from General Revenue Fund 1
2010	\$1,000,000
2011	\$1,000,000
2012	\$1,000,000
2013	\$1,000,000
2014	\$1,000,000

Fiscal Analysis

This bill would amend the Tax Code to require that the joint statement for the transfer of a motor vehicle as the result of a gift, as required under current law, be notarized.

The bill would take effect September 1, 2009.

Methodology

Currently, a joint statement confirming the transfer of a motor vehicle as a result of a gift is required by law. Adding an additional requirement to notarize the joint statement is expected to reduce the number of transactions that are eligible for the \$10 gift tax under current law and, therefore, would increase the tax due on those sales transactions. Persons engaging in eligible gift tax transactions would not be affected.

There would also be a loss to the State Highway Fund due to the increased commission retained by counties. The commission is withheld from both General Revenue Funds and the State Highway Fund according to a sliding scale set in statute. The estimated loss to the State Highway Fund is approximately \$46,000 for the biennium. Starting fiscal year 2015, the commission will be funded entirely from General Revenue Funds allowing motor vehicle registration fees to go to the credit of State Highway Fund.

Local Government Impact

Counties receive a 5 percent commission for each motor vehicle sales tax transaction processed and remitted. The gain to counties is estimated to be \$102,000 in the 2010-11 biennium.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, KK, KJG, YD