

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 15, 2009**

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

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

**IN RE: HB2945** by Harper-Brown (Relating to the total revenue exemption from the franchise tax.),  
**As Introduced**

**The bill will have a direct impact of a revenue loss to the Property Tax Relief Fund of \$85,000,000 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	(\$85,000,000)
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**Fiscal Analysis**

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

The bill would temporarily change the total revenue exemption amount for the tax from \$300,000 or less to \$1,000,000 or less.

The bill's provision would affect franchise tax reports due during calendar 2010, and would expire on January 1, 2011.

The bill would take effect January 1, 2010.

## **Methodology**

The estimated fiscal impact of the bill is based on data reported on the 2008 franchise tax reports from taxable entities with total revenue of \$1,000,000 or less.

## **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