

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: HB3214 by Keffer (Relating to the exemption of certain units conducting bingo games from the franchise tax.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 171 of the Tax Code, regarding the franchise tax, to exempt certain entities from the tax.

With regard to organizations conducting bingo operations, the bill would define "licensed authorized organization" and "unit" by reference to the Occupations Code. "Licensed authorized organization" would mean an authorized organization that holds a license to conduct bingo. "Unit" would mean two or more licensed authorized organizations that conduct bingo at the same location joining together to share revenues, authorized expenses, and inventory related to bingo operations. The bill would exempt from the tax a unit composed entirely of licensed authorized organizations.

The bill would take effect on January 1, 2010 and apply to reports due on or after that date.

The estimated fiscal impact is based on 2008 franchise tax data from taxable entities with the North American Industry Classification System industry code of 713290 (Other Gambling Industries) and who could be identified as conducting bingo operations.

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