

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 28, 2009

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

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

IN RE: SB1199 by Ogden (relating to refunds of and credits for certain sales and use taxes paid by certain exempt organizations.), **As Passed 2nd House**

Depending upon the amounts related to refund requests or credits claimed by organizations for a period before the date specified by the bill, there could be an indeterminate amount of revenue gain to the state.

The bill would amend Chapter 151 of the Tax Code to specify that for the purposes of obtaining a refund or claiming a credit for sales tax, a religious, educational, or public service organization is not considered exempted from the sales tax before the earlier of the date the organization applied for the exemption with the Comptroller or the date of assessment of the organization's tax liability by the Comptroller as a result of an audit.

The amounts related to refund requests or credits claimed by these types of organizations for a period before the date specified by the bill are not known, therefore the fiscal impact cannot be determined.

The bill would also entitle a seller to a credit or reimbursement of the amount of sales tax refunded to a purchaser when the purchaser receives a full or partial refund of the sales price of a returned taxable item. The comptroller indicates the section of the bill would have so significant fiscal impact to the state.

The bill would take effect September 1, 2009.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, KK