

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 12, 2009

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

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

IN RE: SB1202 by Deuell (Relating to the collection and allocation of local sales and use taxes.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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This bill would amend Chapters 321 and 323 of the Tax Code, regarding municipal and county sales taxes.

The bill would clarify where the sale of a taxable item is consummated for the administration of local sales taxes. The bill would specify that for the sale of each taxable item by a retailer, the sale is consummated at the place of business of the retailer where the retailer first accepts payment in person by the purchaser at a place of business of the retailer in this state.

The sections of the bill that requires a county or municipality to send certain information regarding an economic development agreement to the Comptroller would take effect immediately if the bill receives a vote of two-thirds of all the members elected to each house. If the bill does not receive the vote for immediate effect, those sections would take effect August 31, 2009. All other sections of the bill would take effect September 1, 2009.

Local Government Impact

The fiscal impact on units of local government cannot be determined. The bill could change the location at which the sale of a taxable item is consummated for the purpose of sourcing local sales taxes. The amount of local sales tax that would be sourced to different local jurisdictions under the provisions of the bill is not known.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, KK