

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 4, 2011

**TO:** Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

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

**IN RE: HB590** by Thompson (Relating to amended sales tax reports and the reallocation of sales tax revenue.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB590, As Introduced: a negative impact of (\$8,578,666) through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$6,628,348)
2013	(\$1,950,318)
2014	(\$1,950,318)
2015	(\$1,950,318)
2016	(\$1,950,318)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2011
2012	(\$6,628,348)	31.0
2013	(\$1,950,318)	31.0
2014	(\$1,950,318)	31.0
2015	(\$1,950,318)	31.0
2016	(\$1,950,318)	31.0

Fiscal Analysis

The bill would amend Chapters 151, 321, 322, and 323 of the Tax Code, to allow for amended sales tax reports and for procedures governing reallocations of local sales taxes associated with the amended reports.

New Section 151.4065 would allow taxpayers to amend a tax report for a previous reporting period within the statute of limitations, and would require the amendment be signed and include an explanation for the amendment.

New Sections 321.510 and 323.510 would provide for notification of affected taxpayers and units of local government of pending reallocations of local sales tax revenues that exceed certain thresholds and for audit review of the pending reallocation upon request of an affected local government.

The bill would take effect January 1, 2012.

### **Methodology**

The bill would not have a significant impact on sales tax revenue. The administrative cost estimate reflects the funds that would be necessary to hire 31 additional FTEs starting in fiscal year 2012 to 2016 for personnel salary costs for the Comptroller's Office. Personnel would be required in the Revenue Accounting, Tax Policy, and Audit divisions.

### **Technology**

There would be a one-time technology cost to the Comptroller's Office of \$4,600,000 in fiscal year 2012 for programming/project management.

### **Local Government Impact**

Local taxing units could experience a revenue gain or loss depending on the extent of reallocation of local sales tax revenue.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KK, SD