

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

February 28, 2011

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

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

IN RE: HB654 by Solomons (Relating to a report regarding the municipality or county of origin of tax revenue collected by the comptroller.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB654, As Introduced: a negative impact of (\$834,000) 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 | (\$834,000) |
| 2013 | \$0 |
| 2014 | \$0 |
| 2015 | \$0 |
| 2016 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from General Revenue Fund 1 |
|--------------------|--|
| 2012 | (\$834,000) |
| 2013 | \$0 |
| 2014 | \$0 |
| 2015 | \$0 |
| 2016 | \$0 |

Fiscal Analysis

The bill would amend Government Code, Chapter 403 to require the Comptroller to report to the Legislature and Governor before each regular session of the Legislature the amount of revenue remitted to the Comptroller in each municipality and county for each tax collected by the Comptroller.

The bill would require the Comptroller to use tax returns to determine the amount of revenue remitted in each municipality and county for each tax collected by the Comptroller. If the information for a particular tax is not available from tax returns, the Comptroller would be required to use statistical data to determine those amounts or may require taxpayers or other entities to report additional information necessary to compile the report.

The bill would require the report to present the aggregate total for each tax without disclosing

individual tax payments or taxpayers.

The act would take effect on September 1, 2011.

Methodology

The fiscal impact of the bill is estimated to be \$834,000 in fiscal year 2012 to design and develop web-based program applications to identify, extract and consolidate tax revenue data by municipality and county and provide security controls. The agency would also purchase additional storage devices for increased volume of data. The cost is dependent on variables including software, programming language and hourly rate to calculate labor costs. The agency would contract with a vendor to design and develop the program applications.

Technology

The technology fiscal impact of the bill is estimated to be \$834,000 for design and programming costs associated with developing web-based applications to identify by municipality and county tax revenue data necessary to provide a report detailing this information to the Legislature and Governor before each regular legislative session. The costs also include purchase of additional storage devices.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, KK, MS, LCO