

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 7, 2011**

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

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

**IN RE: HB3863** by Garza (Relating to the authority of certain volunteer firefighter and emergency services organizations to hold tax-free sales or auctions.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Chapter 151 of the Tax Code, regarding the sales and use tax and the authority of certain volunteer firefighter and emergency services organizations to hold tax-free sales or auctions.

The bill would add new Subsection (c-1) to Section 151.310 to provide that an organization exempt under Section 151.310(a)(4) may hold 10 tax-free sales or auctions during a calendar year, each not to continue for more than 72 hours. Items purchased tax-free under this subsection would not be subject to use tax under Subchapter D of this chapter until the item is resold or transferred. This new subsection would expire September 1, 2014.

The bill would take effect immediately if it receives the requisite two-thirds votes in each house. Otherwise it would take effect September 1, 2011.

Comptroller tax data indicate that fiscal 2010 state sales tax remittances from volunteer fire and volunteer fire/EMS organizations exempt under Section 151.310(a)(4) were not sufficient to represent a significant reduction in sales tax revenues if some fraction of those sales become tax-free due to the bill's provisions.

**Local Government Impact**

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

**Source Agencies:**

**LBB Staff:** JOB, KK