

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 25, 2011

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

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

IN RE: SB776 by Zaffirini (Relating to customs brokers.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for SB776, As Passed 2nd House: a positive impact of \$2,900,000 through the biennium ending August 31, 2013.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$1,400,000
2013	\$1,500,000
2014	\$1,500,000
2015	\$1,500,000
2016	\$1,600,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>Cities</i>	Probable Revenue Gain from <i>Transit Authorities</i>
2012	\$1,400,000	\$200,000	\$100,000
2013	\$1,500,000	\$200,000	\$100,000
2014	\$1,500,000	\$200,000	\$100,000
2015	\$1,500,000	\$200,000	\$100,000
2016	\$1,600,000	\$200,000	\$100,000

Fiscal Analysis

The bill would partially implement recommendations from the report, "Strengthen Sales Tax Enforcement Related to Customs Brokers and Increase the Charge for Export Stamps," in the Legislative Budget Board's (LBB) Government Effectiveness and Efficiency Report submitted to the Eighty-Second Texas Legislature, 2011. The bill would amend Chapter 151, Tax Code relating to customs brokers to do the following:

Eliminate the requirement that the comptroller provide an alternate method to show documentation of export when the website for documentation is unavailable, but allow the comptroller to provide an alternative documentation method that customs brokers could use with prior authorization from the comptroller for each use;

Authorize the comptroller to suspend or revoke a customs broker license and impose fines if the licensee does not comply with statutory requirements or issues false documentation;

Eliminate the limitation of the amount of penalty to the amount of refunded tax;

Require personal identification of foreign residence used for export documentation have a unique identification number;

Require that the purchaser and customs broker or authorized employee sign export forms in the presence of each other;

Limit to six the number of receipts for which a single export document could be issued;

Require that the documentation include a declaration that the customs broker or authorized employee inspected the property and the original receipt for the property; and

Increase the charge for each export stamp from \$1.60 to \$2.10 and require that \$0.50 of the charge be used only for enforcement of the laws relating to customs brokers.

The Comptroller reports that the bill would have no administrative cost.

The bill would take effect September 1, 2011.

Methodology

Comptroller data on the number of export certificates was adjusted to reflect a marginal increase expected from the limitation to six of the number of receipts that can be combined in a single refund claim, multiplied by \$2.10, and from this the amount of export stamp revenue expected under current law was subtracted to estimate the amount of revenue gain from the increase in the stamp fee. To this was added the gain from the reduction in refund claims to be paid due to more stringent documentation requirements.

Technology

No technology impact is anticipated.

Local Government Impact

The revenue gain to cities and transit authorities is shown above. Other government units imposing a sales tax could experience a small revenue gain.

Source Agencies:

LBB Staff: JOB, KK, JI, RS