

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 8, 2013

TO: Honorable Tommy Williams, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB78 by Simpson (Relating to the exemption from the sales and use tax for certain coins and precious metals.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB78, As Engrossed: a negative impact of (\$375,000) through the biennium ending August 31, 2015.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$168,000)
2015	(\$207,000)
2016	(\$213,000)
2017	(\$220,000)
2018	(\$226,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from General Revenue Fund 1	Probable Revenue (Loss) from Cities	Probable Revenue (Loss) from Transit Authorities	Probable Revenue (Loss) from Counties and Special Districts
2014	(\$168,000)	(\$31,000)	(\$11,000)	(\$5,000)
2015	(\$207,000)	(\$38,000)	(\$13,000)	(\$6,000)
2016	(\$213,000)	(\$39,000)	(\$13,000)	(\$7,000)
2017	(\$220,000)	(\$41,000)	(\$14,000)	(\$7,000)
2018	(\$226,000)	(\$42,000)	(\$14,000)	(\$7,000)

Fiscal Analysis

The bill would amend Chapter 151 of the Tax Code, regarding the sales and use tax.

The bill would amend Section 151.336 to remove the limitation of the current exemption of gold, silver, or numismatic coins, or of platinum, gold, or silver bullion, to sales of \$1,000 or more. The effect would be to exempt all sales of the precious metal items, regardless of sales price.

The bill would take effect October 1, 2013.

Methodology

Data from the Comptroller's tax files on taxable sales of firms specialized in sales of gold and silver coins and bullion were adjusted to exclude estimated sales of other taxable items sold by such firms, based on a telephone survey of a sample of such firms. The result was extrapolated through 2018 and adjusted to reflect the effective date.

Local Government Impact

There would be a proportional loss of sales and use tax revenue to local taxing jurisdictions.

Source Agencies: 304 Comptroller of Public Accounts

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