

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**March 10, 2013**

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

**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 Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB78, As Introduced: a negative impact of (\$424,000) through the biennium ending August 31, 2015, if the bill becomes effective immediately; or a negative impact of (\$375,000) through the biennium ending August 31, 2015, if the effective date of the bill is September 1, 2013.

**All Funds, Six-Year Impact:**

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Cities</i>	Probable Revenue (Loss) from <i>Transit Authorities</i>	Probable Revenue (Loss) from <i>Counties and Special Districts</i>
2013	(\$16,000)	(\$3,000)	(\$1,000)	\$0
2014	(\$201,000)	(\$37,000)	(\$13,000)	(\$6,000)
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)

The above table assumes the bill takes immediate effect and the table below assumes the bill takes effect September 1, 2013.

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Cities</i>	Probable Revenue (Loss) from <i>Transit Authorities</i>	Probable Revenue (Loss) from <i>Counties and Special Districts</i>
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 immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 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 implementation dates assumed to begin at the start of calendar quarters.

## **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

**LBB Staff:** UP, KK, SD