

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 24, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1310 by Button (Relating to the exclusion from total revenue of the cost of certain vaccines for purposes of the franchise tax.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1310, As Introduced: an impact of \$0 through the biennium ending August 31, 2015.

Additionally, the bill will have a direct impact of a revenue loss to the Property Tax Relief Fund of (\$3,713,000) for the 2014-15 biennium. Any loss to the Property Tax Relief Fund must be made up with an equal amount of General Revenue to fund the Foundation School Program.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from Property Tax Relief Fund
	304
2014	(\$1,820,000)
2015	(\$1,893,000)
2016	(\$1,969,000)
2017	(\$2,047,000)
2018	(\$2,129,000)

Fiscal Analysis

The bill would amend Chapter 171 of the Tax Code, regarding the franchise tax, to provide an exclusion from total revenue of the cost of vaccines for certain taxable entities. The bill would

define "Physician practice" and "Vaccine". The bill would provide that a taxable entity that is a physician practice shall exclude from total revenue the actual cost paid by the taxable entity for a vaccine.

The bill would take effect on January 1, 2014, and applies to franchise tax reports due on or after that date.

Methodology

The estimated fiscal impact is based on historical data on expenditures for vaccines and the cost for the immunization of children. The estimate is adjusted for the revenue exclusions provided by Section 171.1011(n) of the Tax Code.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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