

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

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

**April 1, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1596** by Gonzalez, Naomi (Relating to the exclusion of certain flow-through funds by taxable entities engaged in the business of transporting barite in determining total revenue for purposes of the franchise tax.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend Chapter 171, Tax Code, regarding the franchise tax by adding an exclusion from total revenue for a taxable entity primarily engaged in the business of transporting barite. The exclusion would be for subcontracting payments made by the taxable entity to nonemployee agents for the performance of transportation services on behalf of the taxable entity.

Research on companies primarily engaged in the business of providing barite transportation services yielded no significant business activity of that kind in Texas.

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

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

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