

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 28, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1733 by Hilderbran (Relating to the exclusion of certain flow-through funds by taxable entities engaged in the business of transporting aggregates in determining total revenue for purposes of the franchise tax.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1733, 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 (\$2,506,000) 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	(\$1,250,000)
2015	(\$1,256,000)
2016	(\$1,279,000)
2017	(\$1,256,000)
2018	(\$1,246,000)

Fiscal Analysis

The bill would amend Chapter 171 of the Tax Code regarding the franchise tax by requiring

certain taxable entities to exclude from total revenue subcontracting payments made by the taxable entity to nonemployee agents for the performance of delivery services on behalf of the taxable entity. The bill's provisions would apply a taxable entity that is primarily engaged in the business of transporting aggregates. The bill would define "aggregates".

The bill would take effect on January 1, 2014, apply to reports due on or after that date.

Methodology

The estimated fiscal impact is based on information in the Comptroller's franchise tax databases on taxable entities providing truck transportation services and information from Texas Aggregates and Concrete Association.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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