## 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: HB1981 by Murphy (Relating to the exclusion of certain amounts from the total revenue of a taxable entity that is a motor carrier for purposes of the franchise tax.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB1981, 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 $(\$ 5,221,000)$ 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 <br> to General Revenue Related Funds |
| :---: | ---: |
| 2014 |  |
| 2015 | $\$ 0$ |
| 2016 | $\$ 0$ |
| 2017 |  |
| 2018 | $\$ 0$ |
|  | $\$ 0$ |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue (Loss) from <br> Property Tax Relief Fund <br> 304 |  |
| :---: | :---: | :---: |
| 2014 | $(\$ 2,605,000)$ |  |
| 2015 | $(\$ 2,616,000)$ |  |
| 2016 | $(\$ 2,665,000)$ |  |
| 2017 |  |  |
| 2018 | $(\$ 2,618,000)$ |  |

Fiscal Analysis

The bill would amend Chapter 171, Tax Code, regarding the franchise tax by adding a provision
for an exclusion from total revenue for certain taxable entities. A taxable entity registered as a motor carrier under Chapter 643, Transportation Code, would be required to exclude from total revenue flow-through revenue derived from taxes and fees.

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

## Methodology

The fiscal impact is based on data from the Bureau of Transportation Statistics and on the Comptroller's franchise tax data files.

## 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

