

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 9, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2543 by Eiland (Relating to changing the manner in which the tax on mixed beverages is imposed.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2543, As Introduced: a negative impact of (\$129,935,000) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$59,955,000)
2015	(\$69,980,000)
2016	(\$73,479,000)
2017	(\$77,153,000)
2018	(\$81,011,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from Counties	Probable Revenue Gain/(Loss) from Incorporated Municipalities
2014	(\$59,955,000)	(\$7,345,000)	(\$6,796,000)
2015	(\$69,980,000)	(\$9,431,000)	(\$8,725,000)
2016	(\$73,479,000)	(\$9,903,000)	(\$9,161,000)
2017	(\$77,153,000)	(\$10,398,000)	(\$9,619,000)
2018	(\$81,011,000)	(\$10,918,000)	(\$10,100,000)

Fiscal Analysis

The bill would amend Chapter 183 of the Tax Code to change the mixed beverage tax from a gross receipts tax to a tax on the sales price of an alcoholic beverage. The rate of the tax would remain 14 percent.

Under the bill's provisions, the mixed beverage tax would be administered, imposed, collected and enforced in the same manner as Chapter 151 of this code (sales and use taxes), with the exception of Sections 151.423 (reimbursement to taxpayer for tax collections) and 151.424 (discount for prepayments). An item taxable under the mixed beverage tax would be exempted from Title 3, Subtitle C (local sales and use taxes) of this code.

The bill would revise the Subtitle name within which Chapter 183 is located to Gross Receipts and Alcoholic Beverage Taxes.

The bill would make conforming changes to Section 1504.256 (pledge of mixed beverage tax receipts) of the Government Code

The bill would repeal Sections 183.022 (tax return due date), 183.023 (payment), 183.024 (failure to pay tax or file report), and 183.055 (credits and refunds for bad debts) of the Tax Code.

The bill would take effect September 1, 2013.

Methodology

This fiscal impact analysis is based on the 2014-15 Biennial Revenue Estimate. The change from a gross receipts tax to a sales tax would reduce the state's share of each dollar spent on mixed beverages. The fiscal 2014 estimates were adjusted for a September 1, 2013 effective date..

Technology

The Comptroller's office estimates a one-time technology cost of \$2,000,000 in fiscal 2014 for programming and system support costs. This cost is not reflected in the above table.

Local Government Impact

The bill would have a revenue loss to units of local government, as shown in the table.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD, AG