

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 8, 2013

TO: Honorable Tommy Williams, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2766** by Hunter (Relating to the exclusion of certain flow-through funds in determining total revenue for purposes of the franchise tax.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 171 of the Tax Code, regarding the franchise tax, by adding "or subcontract" to the provision for exclusion from total revenue of flow-through funds mandated by contract. The bill would add "remediation" to the list of activities for improvements on real property that would be subject to the flow-through provision.

The added language does not expand the flow-through funds exclusion beyond current law and, therefore, has no fiscal impact.

The bill would take effect on January 1, 2014, and apply only to franchise tax reports 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