

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

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

**May 13, 2013**

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

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

**IN RE: HB2972** by King, Ken (Relating to exempting premiums for certain insurance covering stored or in-transit baled cotton from surplus lines insurance premium taxes.), **As Engrossed**

**To the extent that the bill's provisions would reduce the amount of premiums subject to the tax, there would be an indeterminate revenue loss to the State.**

The bill would amend Chapter 225 (surplus lines insurance premium tax) of the Insurance Code to exempt premiums on stored or in-transit for export baled cotton from the surplus lines insurance premium taxes.

Surplus lines insurance premiums are taxed at a rate of 4.85 percent. To the extent that this bill's provisions would reduce the amount of premiums subject to the tax, tax revenues would decrease. The Comptroller of Public Accounts reports the amount of that decrease, however, cannot be determined.

The bill would take effect January 1, 2014.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 454 Department of Insurance

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