

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 21, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

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

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 Chapters 225 (surplus lines insurance premium tax) and 226 (unauthorized and independently procured insurance premium tax) of the Insurance Code to exempt premiums on stored or in-transit for export baled cotton from the surplus lines, independently procured, and unauthorized insurance premium taxes.

Surplus lines, independently procured, and unauthorized 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