

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: HB3113 by Hilderbran (Relating to the application of the exemption from the sales and use tax for property used in manufacturing.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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This bill would amend Section 151.318, Tax Code, by adding a new Subsection (v) to provide that for purposes of the exemption authorized by this section, the bringing of oil or natural gas to the surface of the earth is not considered manufacturing, processing, or fabricating for ultimate sale. The bill would provide that this amendment is a clarification of existing law and does not imply that existing law may be construed as inconsistent with the law as proposed to be amended.

The bill would add to statute part of current Comptroller policy regarding interpretation of the Section 151.318 exemption for property used in manufacturing, and thus would have no fiscal implications.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2013.

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