

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

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

**March 20, 2013**

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

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

**IN RE: HJR74** by Raymond (proposing a constitutional amendment prohibiting the taxation of the sale or use of certain food and medicine.), **Committee Report 1st House, Substituted**

**No fiscal implication to the State is anticipated**, other than the cost of publication.

The cost to the state for publication of the resolution is \$108,921.

This resolution would propose an amendment to Article VIII of the Texas Constitution, to add new Section 28 to prohibit sales taxation of food or a medicine that was not subject to taxation under Chapter 151 of the Tax Code on January 1, 2013.

The resolution would provide that a general law enacted by the 83rd Legislature, but prohibited by the new Section 28 of Article VIII of the Texas Constitution, would expire January 1, 2015.

The proposed constitutional amendment would be submitted to the voters at an election to be held November 5, 2013, and would be effective thereafter if approved.

There are statutory exemptions from sales taxation—assumed to correspond to the resolution's term "not subject to taxation"—of certain foods and medicines under Sections 313, 314 and 3141 of Chapter 151 of the Tax Code on January 1, 2013. As the proposed constitutional amendment would prohibit sales taxation of items not currently subject to sales tax, there would be no fiscal implications.

**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