

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

February 25, 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, drinks, and medicine.), **As Introduced**

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 drink 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, beverages and medicines under Sections 308, 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 significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD