

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 21, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB535 by West (Relating to exemptions from the sales and use tax for certain energy-efficient products.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB535, As Introduced: a negative impact of (\$9,650,000) through the biennium ending August 31, 2015.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$4,760,000)
2015	(\$4,890,000)
2016	(\$5,020,000)
2017	(\$5,160,000)
2018	(\$5,300,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Cities</i>	Probable Revenue (Loss) from <i>Transit Authorities</i>	Probable Revenue (Loss) from <i>Counties and Special Districts</i>
2014	(\$4,760,000)	(\$880,000)	(\$300,000)	(\$150,000)
2015	(\$4,890,000)	(\$900,000)	(\$310,000)	(\$150,000)
2016	(\$5,020,000)	(\$930,000)	(\$310,000)	(\$160,000)
2017	(\$5,160,000)	(\$950,000)	(\$320,000)	(\$160,000)
2018	(\$5,300,000)	(\$980,000)	(\$330,000)	(\$170,000)

Fiscal Analysis

The bill would amend Chapter 151, Tax Code, to add additional items to the exemption of certain energy-efficient products for a limited period.

Section 151.333(b) would be amended to increase the price limitation on an eligible air conditioner from \$6,000 to \$8,000, and to add to the list of eligible items to include a room air cleaner or purifier, home insulating and air sealing products, ductless heating and cooling

equipment, a boiler, a furnace, an air source heat pump, and a geothermal heat pump.

The bill would take effect September 1, 2013.

Methodology

National data on annual shipments of units of energy-star compliant items was apportioned to the state based on population and priced based on advertised retail prices, reduced to a portion expected to be sold within the exemption period, extrapolated through 2018 and multiplied by the state sales rate. Implications for units of local government were estimated proportionally.

Local Government Impact

There would be a corresponding loss of sales and use tax revenue to local taxing jurisdictions.

Source Agencies: 304 Comptroller of Public Accounts

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