

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 9, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1447 by Hinojosa (Relating to the exclusion of certain flow-through funds by taxable entities engaged in the business of transporting barite in determining total revenue for purposes of the franchise tax.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Chapter 171, Tax Code, regarding the franchise tax by adding an exclusion from total revenue for a taxable entity primarily engaged in the business of transporting barite. The exclusion would be for subcontracting payments made by the taxable entity to nonemployee agents for the performance of transportation services on behalf of the taxable entity.

Research on companies primarily engaged in the business of providing barite transportation services yielded no significant business activity of that kind in Texas.

The bill would take effect January 1, 2014, and apply to a franchise tax report due on or after that date.

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