

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 10, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB1533** by Carona (Relating to municipal sales and use tax remittances by certain retailers.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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This bill would amend Chapter 321, Tax Code, regarding remittances of municipal sales and use tax by certain retailers.

Section 321.002 would be amended to provide that an outlet, office, facility, or location does not exist to avoid municipal sales tax or to receive a rebate of municipal sales tax if any rebate it contracts to receive is lower than the amount of its annual payroll and the location provides significant business services, beyond processing invoices, to the contracting business.

The bill would take effect September 1, 2013.

Local Government Impact

The proposed change in law would permit sales currently allocable to multiple jurisdictions to be aggregated to one location and the municipal tax allocated to one jurisdiction. The result could be, for example, diminished municipal sales tax collections for several cities offset by increased collections for a city that enters an agreement to rebate tax to a business with a location described by the section, as proposed to be amended. Any impact on municipal sales tax revenue cannot be determined.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD