

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 10, 2015

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB31 by Bonnen, Dennis (Relating to decreasing the state sales and use tax rate.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB31, As Introduced: a negative impact of (\$89,900,000) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$39,490,000)
2017	(\$50,410,000)
2018	(\$53,680,000)
2019	(\$57,110,000)
2020	(\$60,780,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>State Highway Fund</i> 6
2016	(\$39,490,000)	(\$60,000)
2017	(\$50,410,000)	(\$70,000)
2018	(\$53,680,000)	(\$70,000)
2019	(\$57,110,000)	(\$70,000)
2020	(\$60,780,000)	(\$70,000)

Fiscal Analysis

This bill would amend Section 151.051 of the Tax Code, to decrease the sales tax rate to 6.24 percent. The current rate is 6.25 percent.

The bill would take effect October 1, 2015.

Methodology

The forecasts of revenues for the limited sales and use tax in the 2016-17 Biennial Revenue Estimate were adjusted for the rate change, extrapolated through 2020, and adjusted for the effective date.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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