

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**March 20, 2015**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB85** by Craddick (Relating to a sales and use tax exemption for telecommunications services used for the navigation of certain farm and ranch machinery and equipment.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend Subsection (a) of Section 151.316 of the Tax Code, relating to the exemption of certain agricultural items from the sales and use tax.

The bill would exempt telecommunications services used for the navigation of certain farm and ranch machinery and equipment from the sales and use tax. To qualify for the exemption, the telecommunications services must exclusively be provided or used for the navigation of machinery and equipment exclusively used or employed on a farm or ranch in the building or maintaining of roads or water facilities, or in the production of food for human consumption, grass, feed for animals, or other agricultural products to be sold in the regular course of business.

There would be a small loss of sales and use tax collections from exempting the telecommunication services described by the bill, however the loss is not expected to be significant.

The bill would take effect September 1, 2015.

**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