

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 18, 2015

TO: Honorable Joseph Pickett, Chair, House Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB203 by Leach (Relating to the allocation of revenue derived from the taxes imposed on the sale, storage, or use of new and used motor vehicle tires and parts to the state highway fund and to the uses of that revenue.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB203, As Introduced: a negative impact of (\$1,733,100,000) 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	(\$845,400,000)
2017	(\$887,700,000)
2018	(\$932,100,000)
2019	(\$978,700,000)
2020	(\$1,027,600,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>State Highway Fund</i> 6
2016	(\$845,400,000)	\$845,400,000
2017	(\$887,700,000)	\$887,700,000
2018	(\$932,100,000)	\$932,100,000
2019	(\$978,700,000)	\$978,700,000
2020	(\$1,027,600,000)	\$1,027,600,000

Fiscal Analysis

The bill would amend Chapter 151 of the Tax Code, regarding the state sales and use tax.

The bill would amend Section 151.801 to require that the sales tax proceeds from the sale, storage, or use of new and used motor vehicle tires, and new and used motor vehicle parts, be deposited to the credit of the State Highway Fund rather than the General Revenue Fund.

The bill would take effect September 1, 2015.

Methodology

Comptroller and Census data relating to auto parts, accessories, and tires were used to estimate the sales of such items. The amount of these sales was then multiplied by the tax rate to estimate the state sales tax thereon that would be dedicated to the state highway fund, and then extrapolated through fiscal 2020.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, AG, SD, KK