

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

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

**April 7, 2015**

**TO:** Honorable John Otto, Chair, House Committee on Appropriations

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

**IN RE: HB1095** by Springer (Relating to the dedication of certain wine-related revenue.), As Introduced

**The bill would not affect the amounts collected for any tax revenue source, but it would shift the allocation for an indeterminate portion of the specified tax revenues from the General Revenue Fund to specific state agencies or to the wine industry development fund.**

The bill would amend Section 205.03 of the Alcoholic Beverage Code, regarding revenue allocations and exceptions for certain wine-related revenue.

The bill would direct revenue derived from excise taxes on wine produced outside Texas and revenue derived from sales taxes collected from out-of-state winery direct shipper's permit holders that are above the revenues for those sources for fiscal 2004, compounded annually for fiscal years 2005-2017 by the average annual percentage increase for those revenues from September 1, 1999 to August 31, 2003, to be appropriated only as specified in this section.

Further, the bill would direct revenue derived from excise taxes on wine produced in Texas and revenue derived from sales taxes collected from winery permit holders in Texas that are above the revenues for those sources for fiscal year 2004, compounded annually for fiscal years 2005-2017 by the average annual percentage increase for those revenues from September 1, 1999 to August 31, 2003 to be appropriated only as specified in this section.

The bill would direct that the portions of the specified tax revenues as determined above could be appropriated only to the Texas Department of Agriculture, to the Texas Alcoholic Beverage Commission (TABC), or to Texas institutions of higher education for activities related to the wine industry in Texas.

The bill would recreate the wine industry development fund, and would reestablish the dedications to that fund under the provisions of Section 205.03 of the Alcoholic Beverage Code as amended by this bill and under the provisions of Section 50B.003 of the Agriculture Code.

The Texas Alcoholic Beverage Commission cannot distinguish excise tax paid on wine made in-state versus out-of-state. Also, the Comptroller of Public Accounts cannot distinguish winery permit holders or out-of-state winery direct shipper's permit holders from other sales tax payers. Due to these data limitations, the allocation amounts cannot be determined.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated

revenue source. Therefore, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would take effect September 1, 2015. Its provisions would expire September 1, 2017.

### **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, AG