

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 23, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1625 by Faircloth (Relating to an exemption from the sales and use tax for certain lightbulbs for a limited period.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1625, As Introduced: a negative impact of (\$1,380,000) 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	(\$600,000)
2017	(\$780,000)
2018	(\$1,010,000)
2019	(\$1,310,000)
2020	(\$1,700,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Cities</i>	Probable Revenue (Loss) from <i>Transit Authorities</i>	Probable Revenue (Loss) from <i>Counties and Special Districts</i>
2016	(\$600,000)	(\$110,000)	(\$40,000)	(\$20,000)
2017	(\$780,000)	(\$140,000)	(\$50,000)	(\$30,000)
2018	(\$1,010,000)	(\$190,000)	(\$60,000)	(\$30,000)
2019	(\$1,310,000)	(\$240,000)	(\$80,000)	(\$40,000)
2020	(\$1,700,000)	(\$310,000)	(\$110,000)	(\$60,000)

Fiscal Analysis

The bill would amend Section 151.333(b) of the Tax code to add light-emitting diode (LED) light bulbs to the list of eligible items exempt from the sales and use tax for a limited period.

The bill would take effect September 1, 2015.

Methodology

National data on annual shipments of units of LED light bulbs from the U.S. Department of Energy was apportioned to the state based on population, priced based on data from IHS Global, reduced to a portion expected to be sold within the exemption period, multiplied by the state sales tax rate, then extrapolated through 2020. Fiscal implications for units of local government were estimated proportionally.

Local Government Impact

There would be a corresponding loss of sales and use tax revenue from local taxing jurisdictions. The revenue loss is shown in the above tables.

Source Agencies: 304 Comptroller of Public Accounts

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