

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 13, 2015

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Finance

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

**IN RE: HB2341** by Darby (Relating to the retention and use of sales tax revenue collected by certain retailers to provide job training and placement services to certain persons; adding provisions subject to a criminal penalty.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2341, As Engrossed: a negative impact of (\$23,100,000) 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	(\$11,200,000)
2017	(\$11,900,000)
2018	(\$12,600,000)
2019	(\$13,400,000)
2020	(\$14,200,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from General Revenue Fund
	1
2016	(\$11,200,000)
2017	(\$11,900,000)
2018	(\$12,600,000)
2019	(\$13,400,000)
2020	(\$14,200,000)

Fiscal Analysis

The bill would amend Chapter 151 of the Tax Code, to provide for a sales and use tax retention for certain retailers.

Section 151.433 would authorize a qualifying organization to retain 50 percent of its collected sales taxes for the purpose of providing job training and placement services to certain persons with a disability or other barriers to employment. A qualifying organization would be a retailer

certified by the Comptroller as having met the requirements of a workforce training community center.

A workforce training community center would be a retailer listed as an exempt organization in the Internal Revenue Code that collects and remits sales taxes on the sale of donated goods; has significant experience in assisting persons with a disability with job training and placement services and uses a portion of its revenue to provide those services; is affiliated with a national or statewide organization; and has annual sales of at least \$1 million.

The bill would require qualifying organizations to use the retained sales tax money only for specific purposes related to providing job training and placement services to persons with a disability or other barriers to employment. The Comptroller may require qualifying organizations, after their first year of certification and at the conclusion of the three-year certification period, demonstrate their adherence to the program's requirements.

This bill would take effect September 1, 2015.

### **Methodology**

Data were gathered from Comptroller tax files regarding the amount of sales tax remitted by certain retailers that may be subject to the provisions of the bill. An adjustment was made to estimate the 50 percent sales tax retention, then extrapolated through 2020.

### **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