

**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:** **HB3230** by Rodriguez, Justin (Relating to the determination of eligible costs and expenses for purposes of the franchise tax credit for the rehabilitation of historic structures.), **As Engrossed**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB3230, As Engrossed: a negative impact of (\$408,088) through the biennium ending August 31, 2017.
---

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2016	(\$204,044)
2017	(\$204,044)
2018	(\$204,044)
2019	(\$204,044)
2020	(\$204,044)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from General Revenue Fund</b> <b>1</b>	<b>Change in Number of State Employees from FY 2015</b>
2016	(\$204,044)	2.0
2017	(\$204,044)	2.0
2018	(\$204,044)	2.0
2019	(\$204,044)	2.0
2020	(\$204,044)	2.0

**Fiscal Analysis**

The bill would amend Chapter 171 of the Tax Code, regarding the franchise tax, by modifying, for certain entities, the determination of eligible costs and expenses for the franchise tax credit for certified rehabilitation of certified historic structures. An entity that is exempt from the franchise tax because it is a nonprofit entity exempt from federal income tax may earn credit for eligible costs and expenses with respect to property considered to be tax exempt use property.

The bill takes effect January 1, 2016.

### **Methodology**

The Texas Historical Commission indicates they would need to hire an additional 2 FTEs to certify the eligibility of additional applications for the franchise tax credit that would result from the bill.

The CPA indicates that the bill's provisions would have no significant fiscal impacts on franchise tax revenues.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 808 Historical Commission

**LBB Staff:** UP, KK, SD, TBo