

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 13, 2015

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

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 Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3230, As Introduced: a negative impact of (\$408,088) 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	(\$204,044)
2017	(\$204,044)
2018	(\$204,044)
2019	(\$204,044)
2020	(\$204,044)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2015
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