

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: HB3306 by Sanford (Relating to a motor vehicle sales tax credit or refund in an amount equal to certain tolls paid by the purchaser of a motor vehicle.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3306, As Introduced: a negative impact of (\$379,816,000) 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	(\$188,028,000)
2017	(\$191,788,000)
2018	(\$195,624,000)
2019	(\$199,537,000)
2020	(\$203,527,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1
2016	(\$188,028,000)
2017	(\$191,788,000)
2018	(\$195,624,000)
2019	(\$199,537,000)
2020	(\$203,527,000)

Fiscal Analysis

The bill would amend Chapter 152 of the Tax Code, regarding motor vehicle taxes.

The bill would add new Section 152.049 to allow a person to claim a credit or refund in the amount the person has paid in tolls in Texas during the 12 month period leading up to the purchase of a motor vehicle against the amount of tax owed under Section 152.021. The bill would direct the Comptroller to adopt rules and forms necessary for implementation of this section.

The bill would take effect January 1, 2016.

Methodology

Under the provisions of the bill, a person would be able to deduct the amount paid on all toll roads in Texas for one-year prior to purchasing a motor vehicle. Toll revenues from the Texas Department of Transportation (TxDOT), the North Texas Tollway Authority, and the Harris County Toll Road Authority totaled approximately \$1.3 billion in fiscal year 2014. It is estimated that 14 percent of that amount would potentially be used as a credit or refund for motor vehicle sales tax based on the average number of years between individual purchases of new vehicles. A further reduction was made to account for high frequency toll road users who would likely be unable to claim the entire amount of motor vehicle sales tax owed.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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