

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 2, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB331 by Creighton (Relating to the use of certain surplus state revenue to provide for a rebate of state franchise taxes.), **As Introduced**

Depending upon the unencumbered General Revenue balance in future biennia, there could be an indeterminate negative fiscal impact to General Revenue Related Funds. Therefore, the fiscal implications of the bill cannot be determined at this time.

The bill would amend Chapter 171 (franchise tax) of the Tax Code to add new Subchapter K (surplus revenue: rebate of franchise taxes) to direct the Comptroller, if there is an unencumbered positive balance of general revenues from a preceding biennium (i.e., a surplus), to provide a rebate to each payer of this tax during that preceding biennium. Each taxpayer would be entitled to a share of that surplus, in proportion to their share of all franchise taxes paid in the biennium.

The bill would take effect on the date on which the constitutional amendment proposed by the 84th Legislature, Regular Session (2015), concerning the use of unencumbered surplus state revenues to provide for a rebate of state franchise taxes takes effect, and would apply to the state fiscal biennium beginning September 1, 2017 and to subsequent biennia. If the constitutional amendment is not approved by the voters, this bill's provisions would have no effect.

No unencumbered balances have been projected for the upcoming 2016-17 biennium. In future periods, the bill could have a negative impact on the ending balance of the General Revenue Fund available for certification. Future unencumbered balances are unknown, therefore the fiscal impact cannot be estimated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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