

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 23, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB724 by Perry (relating to the motor vehicle sales tax applicable to motor vehicles used by transportation companies for certain purposes.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB724, Committee Report 1st House, Substituted: a negative impact of (\$4,000,000) 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	(\$2,000,000)
2017	(\$2,000,000)
2018	(\$2,000,000)
2019	(\$2,000,000)
2020	(\$2,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1
2016	(\$2,000,000)
2017	(\$2,000,000)
2018	(\$2,000,000)
2019	(\$2,000,000)
2020	(\$2,000,000)

Fiscal Analysis

The bill would amend the Tax Code relating to the motor vehicle sales tax applicable to motor vehicles used by transportation companies for certain purposes.

The bill would amend Section 152.082 to exempt vehicles operated by a commercial transportation services company under a contract with a board of county school trustees or school

district board of trustees under Section 34.008 of the Education Code, or the governing body of an open-enrollment charter school, from paying the motor vehicle sales and use tax. Currently this exemption is only available to public agencies.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2015.

Methodology

Average annual taxable purchases of \$32 million for buses exempted by this bill were estimated from Comptroller audit records and Texas Education Agency (TEA) data on the number of school buses owned by private contractors.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD