

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: SB759 by Kolkhorst (Relating to the repeal of certain state taxes.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB759, As Introduced: a negative impact of (\$2,482,000) 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	(\$1,240,000)
2017	(\$1,242,000)
2018	(\$1,245,000)
2019	(\$1,248,000)
2020	(\$1,251,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Available School Fund</i> 2	Probable Revenue Gain/(Loss) from <i>State Highway Fund</i> 6
2016	(\$1,148,000)	(\$92,000)	(\$275,000)
2017	(\$1,148,000)	(\$94,000)	(\$283,000)
2018	(\$1,148,000)	(\$97,000)	(\$291,000)
2019	(\$1,148,000)	(\$100,000)	(\$300,000)
2020	(\$1,148,000)	(\$103,000)	(\$310,000)

Fiscal Analysis

The bill would amend the Occupations Code and the Tax Code to repeal certain state taxes.

The bill would repeal Section 2001.501 of the Occupations Code, regarding the bingo gross rental tax, and would make conforming changes elsewhere in this chapter. All other bingo-related fees imposed by this chapter would be unchanged.

The bill would repeal sections in Chapter 162 (motor fuel tax) of the Tax Code to repeal the

liquefied gas tax, and would make conforming changes elsewhere in this code.

The bill would make conforming changes to the Business and Commerce Code and the Transportation Code.

The bill would take effect on September 1, 2015.

Methodology

The estimated fiscal impact provided by the Comptroller of Public Accounts (CPA), is based on the *2016-2017 Biennial Revenue Estimate*. The CPA notes that repealing the liquefied gas tax, when combined with the repeal of taxes on inheritances, controlled substances, oil regulation, sulphur, and fireworks, will allow the CPA to redeploy resources to audit and enforcement activities for other sources of revenue. According to CPA, redeploying these resources will generate revenue sufficient to offset revenue lost from repealing bingo gross rental and liquefied gas taxes.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 362 Texas Lottery Commission

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