

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 15, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1009 by Eltife (relating to the amount of a sales and use tax refund for tangible personal property used to provide cable television service, Internet access service, or telecommunications services.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1009, Committee Report 1st House, Substituted: a negative impact of (\$50,000,000) 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 | (\$25,000,000) |
| 2017 | (\$25,000,000) |
| 2018 | (\$25,000,000) |
| 2019 | (\$25,000,000) |
| 2020 | (\$25,000,000) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue (Loss) from <i>General Revenue Fund</i> 1 |
|-------------|--|
| 2016 | (\$25,000,000) |
| 2017 | (\$25,000,000) |
| 2018 | (\$25,000,000) |
| 2019 | (\$25,000,000) |
| 2020 | (\$25,000,000) |

Fiscal Analysis

The bill would amend Section 151.3186 of the Tax Code, to provide that the annual limit on refunds of state sales and use tax to providers of cable television service, Internet access service, or telecommunications under that section is \$75 million. The limit in current law is \$50 million.

The bill would take effect September 1, 2015.

Methodology

Requests for refunds based on four months of activity in calendar year 2013 were in excess of the current \$50 million annual limit. Consequently, it is expected that requests for refunds based on full years of activity will exceed the proposed \$75 million limit, and the amount of refunds paid each year under the section will be \$75 million.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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