

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 6, 2015

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB1076** by Eltife (Relating to mixed beverage taxes; repealing a tax; increasing the rate of a tax.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1076, As Introduced: a negative impact of (\$116,711,000) 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	(\$44,928,000)
2017	(\$71,783,000)
2018	(\$95,537,000)
2019	(\$101,116,000)
2020	(\$106,959,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from Counties	Probable Revenue Gain/(Loss) from Cities
2016	(\$44,928,000)	(\$6,046,000)	(\$5,532,000)
2017	(\$71,783,000)	(\$9,660,000)	(\$8,838,000)
2018	(\$95,537,000)	(\$12,857,000)	(\$11,763,000)
2019	(\$101,116,000)	(\$13,608,000)	(\$12,451,000)
2020	(\$106,959,000)	(\$14,394,000)	(\$13,170,000)

Fiscal Analysis

The bill would amend Chapter 183 of the Tax Code, regarding mixed beverage taxes.

The bill would abolish the mixed beverage gross receipts tax and increase the mixed beverage sales tax rate from the current 8.25 percent to 14 percent. The bill would make conforming changes in Chapter 1504 of the Government Code and Chapters 111 and 151 of the Tax Code.

The bill would repeal the definition of a business day in Section 183.001 of the Tax Code.

The bill would take effect September 1, 2015.

**Methodology**

This analysis was based on the *2016-17 Biennial Revenue Estimate*. The analysis takes into account a one month lag in collections.

The 2016-17 loss to General Revenue represents the net impact of the loss from elimination of the mixed beverage gross receipts tax of (\$681,651,000) and the gain from the increase in the sales tax on mixed beverages of \$564,940,000.

Because the mixed beverage sales tax is administered under Chapter 151 of the Tax Code, information on payments of the tax by specific taxpayers would be confidential and not subject to open records requests. Payments by specific taxpayers of the mixed beverage gross receipts tax are not confidential.

**Local Government Impact**

The fiscal implications to counties and cities are shown in the above table.

**Source Agencies:** 304 Comptroller of Public Accounts

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