

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: SB1364 by Kolkhorst (Relating to electronic filing of certain reports; providing a penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1364, As Introduced: a positive impact of \$5,500,000 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	\$3,000,000
2017	\$2,500,000
2018	\$1,500,000
2019	\$500,000
2020	\$200,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from General Revenue Fund 1
2016	\$3,000,000
2017	\$2,500,000
2018	\$1,500,000
2019	\$500,000
2020	\$200,000

Fiscal Analysis

The bill would amend Chapters 111 and 171 of the Tax Code to require electronic filing of an information report required from entities subject to the franchise tax but which have no franchise tax liability because the entity's total revenue from its entire business is less than or equal to an amount specified in Section 171.002(d)(2), which is currently \$1,080,000.

The bill would also add a \$50 penalty for failing to file the information report electronically. This penalty is in addition to the \$50 penalty for failing to file the report in any manner. The penalty

would not apply to a taxable entity that qualifies for a waiver from the electronic filing requirement.

The bill would repeal Section 111.0626(b) which allows the Comptroller to adopt rules requiring electronic filing of a report not described in the section.

The bill would take effect September 1, 2015.

Methodology

The estimated fiscal impact of the bill is based on information from the Comptroller's Revenue Administration Division.

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