

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**March 1, 2015**

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

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

**IN RE: SJR23** by Creighton (Proposing a constitutional amendment concerning the use of unencumbered surplus state revenues to provide for a rebate of state franchise taxes.), **As Introduced**

**Depending upon the unencumbered General Revenue balance in future biennia, there could be an indeterminate negative fiscal impact to General Revenue Related Funds. Therefore, the fiscal implications of the bill cannot be determined at this time.**

The cost to the state for publication of the resolution is \$118,681.

The resolution would propose an amendment to the Texas Constitution concerning the use of unencumbered surplus state revenues to provide for a rebate of state franchise taxes.

The amendment would add new Section 49-g-1 to Article III to provide that following the required Economic Stabilization Fund transfer, and from the remaining unencumbered positive balance of general revenues, the Comptroller would provide a rebate to each payer of the franchise tax during the preceding biennium, with each taxpayer entitled to a share of that surplus, in proportion to their share of all franchise taxes paid. The total amount of the franchise tax rebates would be the lesser of one-half of the remaining unencumbered balance or the total amount of franchise taxes collected in the previous biennium.

No positive unencumbered balances have been projected during the upcoming 2016-17 biennium. In future periods, the bill could have a negative impact on the ending balance of the General Revenue Fund available for certification. Since future unencumbered balances depend on appropriation decisions made by future Legislatures and are therefore unknown, the fiscal impact cannot be estimated.

The constitutional amendment would apply beginning with the state fiscal biennium beginning on September 1, 2017. This proposed constitutional amendment would be submitted to the voters at an election to be held November 3, 2015.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

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