

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 14, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB359 by Cyrier (Relating to the motor vehicle sales tax imposed on the purchase, rental, or use of certain emergency services vehicles.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB359, As Introduced: a negative impact of (\$142,000) through the biennium ending August 31, 2019.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$71,000)
2019	(\$71,000)
2020	(\$46,000)
2021	(\$46,000)
2022	(\$46,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>State Highway Fund</i> 6
2018	(\$71,000)	\$0
2019	(\$71,000)	\$0
2020	(\$46,000)	(\$25,000)
2021	(\$46,000)	(\$25,000)
2022	(\$46,000)	(\$25,000)

Fiscal Analysis

The bill would amend Section 152.087 of the Tax Code to exempt emergency medical services chief or supervisor vehicles from the motor vehicle sales and use tax when purchased by an entity that has an agreement with a local governmental entity to provide emergency ambulance services.

The bill would take effect September 1, 2017.

Methodology

Based on Texas motor vehicle transaction records, there are approximately \$1.14 million in annual taxable purchases of vehicles that would be exempted by this bill. The average annual tax revenue for those sales would be \$71,000. The allocation of certain revenues to Fund 6 required by Proposition 7 are shown beginning in fiscal year 2020.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Counties could lose a minimal amount of revenue due to the motor vehicle sales and use tax exemption.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD