

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 24, 2017**

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

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

**IN RE:** **HB2381** by Frullo (relating to the applicability of the sales and use tax to certain insurance services.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Chapter 151 of the Tax Code, regarding sales and use taxation of certain insurance services.

Section 151.0039 would be amended to exclude from the definition of "insurance service", and thus from taxability, a service performed by a licensed certified public accountancy firm, or on behalf of the firm by an owner or affiliate, if less than one percent of the total revenue of the firm, owner, or affiliate, as applicable, in a calendar year is from services that otherwise constitute insurance service.

The *de minimus* standard proposed by the bill regarding the portion of a public accountancy firm's revenue that may be from otherwise taxable insurance services is sufficient to ensure that the exemption of such services would not result in significant revenue implications.

This bill would take effect January 1, 2018.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

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

**LBB Staff:** UP, KK, SD