

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

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

**April 24, 2017**

**TO:** Honorable Tracy O. King, Chair, House Committee on Agriculture & Livestock

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

**IN RE: HB3992** by Murphy (Relating to a franchise tax exemption for certain cooperatives with a member that has farmer-fruit grower members.), **As Introduced**

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

This bill would amend Chapter 171 of the Tax Code, regarding the franchise tax, by providing an exemption from the tax to certain cooperatives. The exemption would be extended to a cooperative that is a single member farmers' cooperative described in Section 512(b)(1), Internal Revenue Code, that has at least 500 farmer-fruit grower members.

The Comptroller of Public Accounts estimates the bill would have no significant impact on state revenues.

This bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

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