

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

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

**March 31, 2017**

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

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

**IN RE:** **SB1345** by Watson (Relating to the exemption from ad valorem taxation of property owned by a charitable organization and used to provide tax return preparation and other financial services without regard to the beneficiaries' ability to pay.), **As Introduced**

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

The bill would amend Chapter 11 of the Tax Code, regarding property tax exemptions, to add without regard to the beneficiaries' ability to pay, tax return preparation services and assistance with other financial matters to the list of charitable functions that would enable a charitable organization to qualify for a property tax exemption of certain real and personal property.

The bill would create a cost to local taxing units and the state through the school finance formulas by exempting certain real and personal property owned by charitable organizations that provide free tax return preparation and assistance with other financial matters. The Internal Revenue Service lists approximately 190 Volunteer Income Tax Assistance facilities in Texas. Many of these facilities are already exempt as public or religious property. The value of real and personal property owned by eligible charitable organizations that would be exempt under the bill and that is not already exempt is unknown. Consequently, the cost of the bill cannot be estimated, but is not expected to be significant.

The 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, SJS