

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 30, 2019

TO: Honorable Dustin Burrows, Chair, House Committee on Ways & Means

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB311 by Howard (Relating to a sales and use tax exemption for certain feminine hygiene products.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB311, As Introduced: a negative impact of (\$37,400,000) through the biennium ending August 31, 2021.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$17,700,000)
2021	(\$19,700,000)
2022	(\$20,100,000)
2023	(\$20,500,000)
2024	(\$21,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund 1</i>	Probable Revenue (Loss) from <i>Cities</i>	Probable Revenue (Loss) from <i>Transit Authorities</i>	Probable Revenue (Loss) from <i>Counties & Special Districts</i>
2020	(\$17,700,000)	(\$3,280,000)	(\$1,130,000)	(\$660,000)
2021	(\$19,700,000)	(\$3,650,000)	(\$1,250,000)	(\$740,000)
2022	(\$20,100,000)	(\$3,720,000)	(\$1,280,000)	(\$750,000)
2023	(\$20,500,000)	(\$3,800,000)	(\$1,300,000)	(\$770,000)
2024	(\$21,000,000)	(\$3,890,000)	(\$1,340,000)	(\$790,000)

Fiscal Analysis

The bill would amend Chapter 151 of the Tax Code, to add Section 151.3131, relating to the exemption of certain feminine hygiene products from the sales and use tax.

The new section would define "feminine hygiene products" to include tampons, sanitary napkins, menstrual cups, menstrual sponges, menstrual pads, and other similar tangible personal property

sold for the principal purpose of feminine hygiene related to the menstrual cycle.

The bill would take effect September 1, 2019.

Methodology

Industry data on national sales of sanitary protection products were apportioned to the state based on female population, reduced to omit estimated non-taxable sales to entities such as nonprofit organizations, multiplied by the sales tax rate to estimate the applicable sales tax, and extrapolated through 2024.

Local Government Impact

There would be a proportional loss of sales and use tax revenue from local taxing jurisdictions.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD