

**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: HB1707** by Dominguez (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 HB1707, 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 &amp; 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, panty liners, menstrual cups, sanitary napkins, 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