

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 8, 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: HB4621 by Huberty (Relating to the imposition of sales and use taxes and the allocation of certain revenue from sales and use taxes to school district property tax relief and public education; authorizing the imposition of a tax.), **As Introduced**

Enactment of the bill is contingent on the passage of House Joint Resolution 3, therefore the fiscal impact is discussed in the fiscal note for HJR 3.

The bill would amend Chapter 151, Tax Code to provide for an increase in the sales tax rate.

Section 151.051(b) would be amended to provide that the sales tax rate is 6.26 percent.

Added Section 151.802 would provide that all proceeds from the collection of taxes under Chapter 151 attributable to the portion of the tax rate in excess of 6.26 percent shall be deposited to the credit of the property tax relief fund.

The bill would take effect January 1, 2020, but only if the constitutional amendment proposed by the 86th Legislature, Regular Session providing funding for costs of maintaining and operating the public school system and to reduce school district ad valorem tax rates through an increase in the state sales and use tax rate is approved by the voters. Therefore the fiscal impacts of the bill are shown in the fiscal note for House Joint Resolution 3.

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD