

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 23, 2019

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

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

IN RE: **SB61** by Zaffirini (Relating to a sales and use tax exemption for firearm safety devices and educational materials.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB61, As Introduced: a negative impact of (\$1,910,000) 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	(\$930,000)
2021	(\$980,000)
2022	(\$1,030,000)
2023	(\$1,080,000)
2024	(\$1,130,000)

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 and Special Districts</i>
2020	(\$930,000)	(\$170,000)	(\$60,000)	(\$30,000)
2021	(\$980,000)	(\$180,000)	(\$60,000)	(\$40,000)
2022	(\$1,030,000)	(\$190,000)	(\$70,000)	(\$40,000)
2023	(\$1,080,000)	(\$200,000)	(\$70,000)	(\$40,000)
2024	(\$1,130,000)	(\$210,000)	(\$70,000)	(\$40,000)

Fiscal Analysis

The bill would amend Chapter 151 of the Tax Code by adding Section 151.3131 to provide an exemption of firearm safety supplies from sales and use taxes for a limited period.

The new section would define "firearm safety supplies" to include gun cases, gun safes, firearm safety locks, trigger locks, firearms safety training manuals or electronic publications, and other

items designed to ensure the safe handling or storage of a firearm.

The bill would take effect September 1, 2019.

Methodology

Based on information from a sample of firearms dealers, a ratio of sales of firearms safety devices to total sales of firearms dealers was applied to estimated sales of firearms, ammunition, and related accessories in the state, multiplied by the state sales tax rate, and extrapolated through 2024.

Local Government Impact

There would be a proportional loss of sales and use tax revenue from units of local government.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD