

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**May 9, 2019**

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

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

**IN RE:** SB203 by Huffman (Relating to a sales and use tax exemption for firearm safety equipment.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds for SB203, 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 General Revenue Fund 1	Probable Revenue (Loss) from Cities	Probable Revenue (Loss) from Transit Authorities	Probable Revenue (Loss) from Counties and Special Districts
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 equipment from sales and use taxes.

The new section would define "firearm safety equipment" to include a gun lock box, a gun safe, a

barrel lock, a trigger lock, 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