

**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:** **SB1295** by Powell (Relating to the inclusion of water filling stations in the sales and use tax exemption for water-efficient products.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1295, As Introduced: a negative impact of (\$410,000) 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	(\$200,000)
2021	(\$210,000)
2022	(\$221,000)
2023	(\$232,000)
2024	(\$244,000)

**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	(\$200,000)	(\$40,000)	(\$10,000)	(\$10,000)
2021	(\$210,000)	(\$40,000)	(\$10,000)	(\$10,000)
2022	(\$221,000)	(\$40,000)	(\$10,000)	(\$10,000)
2023	(\$232,000)	(\$40,000)	(\$10,000)	(\$10,000)
2024	(\$244,000)	(\$50,000)	(\$20,000)	(\$10,000)

**Fiscal Analysis**

The bill would amend Section 151.3335 of the Tax Code to add water filling stations to the list of eligible items exempt from the sales and use tax during the Memorial Day Energy Star tax holiday weekend.

The bill would take effect September 1, 2019.

## **Methodology**

Water filling stations are often found in places such as schools, universities, parks, arenas, airports, fitness centers, or businesses. There is a growing trend toward their use to replace typical drinking water fountains. Industry data on the estimated number of water filling stations in places such as airports, fitness centers, arenas, or businesses, and the average price of water filling stations were used to estimate the sales of such items. Estimated water filling stations sales were reduced to reflect sales during the exemption period, multiplied by the 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