

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 5, 2021

TO: Honorable Morgan Meyer, Chair, House Committee on Ways & Means

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2626 by Noble (Relating to the imposition of the use tax on tangible personal property purchased in another state and transferred to an affiliate of the purchaser before being brought into this state for storage, use, or other consumption.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 151 of the Tax Code regarding the use tax.

The bill would amend Section 151.101(a) to remove the specification that a purchase be made from a retailer for purposes of the use tax. The bill would amend Section 151.105 to require use tax be paid on purchases that are shipped or brought into this state by an affiliate of the purchaser.

According to the Comptroller, the bill would clarify the statute regarding use tax to preempt any ambiguity in how the tax is to be applied; therefore, there would be no significant revenue impact to the state or units of local government.

The bill would take effect September 1, 2021.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, KK, SD