

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 11, 2021

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB586 by Springer (Relating to the filing of certain reports by distributors of certain off-highway vehicles purchased outside this state; providing civil penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB586, As Introduced : a positive impact of \$300,000 through the biennium ending August 31, 2023.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	\$0
2023	\$300,000
2024	\$325,000
2025	\$340,000
2026	\$355,000

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain from General Revenue Fund 1
2022	\$0
2023	\$300,000
2024	\$325,000
2025	\$340,000
2026	\$355,000

Fiscal Analysis

The bill would amend the Tax Code to require a distributor of off-highway vehicles, as defined by the bill, to file a report with the Comptroller listing each warranty issued by the distributor for a new off-highway vehicle sold to a resident of Texas. A distributor who fails to file the required report would be subject to a civil penalty of not less than \$25 and not more than \$2,000 for each day a violation occurs.

The bill would take effect September 1, 2021.

Methodology

The Comptroller indicates that additional information required to be reported may help with identification by the comptroller of purchases on which use tax may be due and result in a marginal increase in tax collections,

with the increase beginning in the year after the reports are first due.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, AAL, SD, KK