

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 18, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1249 by Taylor (Relating to temporarily decreasing the rate of the mixed beverage gross receipts tax.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1249, As Introduced : a negative impact of (\$261,300,000) 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	(\$121,400,000)
2023	(\$139,900,000)
2024	(\$12,240,000)
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2022	(\$121,400,000)
2023	(\$139,900,000)
2024	(\$12,240,000)
2025	\$0
2026	\$0

Fiscal Analysis

The bill would amend Chapter 183 of the Tax Code to temporarily decrease the rate of the mixed beverage gross receipts tax.

The bill would amend Section 183.021 to provide that the rate of tax imposed on gross receipts of a permittee from mixed beverages is 4.7 percent beginning at 3 a.m. September 1, 2021. The rate of tax would be restored to 6.7 percent beginning at 3 a.m. September 1, 2023.

The bill would take effect September 1, 2021.

Methodology

The estimate represents a proportional reduction to the mixed beverage gross receipts tax estimate in the *2022-2023 Biennial Revenue Estimate* adjusted for the effective date and expiration of the tax rate reduction.

The total amount of revenue reduction would be a reduction to the General Revenue Fund. Section 183.051 prescribes minimum percent shares of mixed beverage tax revenue that are to be distributed to counties and municipalities. Consequently, the reduced revenue could result in reduced distributions to counties and municipalities as determined in the General Appropriations Act.

Local Government Impact

Section 183.051 of the Tax Code prescribes minimum percent shares of mixed beverage tax revenue that are to be distributed to counties and municipalities. Consequently, the reduced revenue could result in reduced distributions to counties and municipalities as determined in the General Appropriations Act.

Source Agencies: 304 Comptroller of Public Accounts

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