

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 21, 2025

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2825** by Craddick (Relating to sales and use tax exemptions and refunds for certain tangible personal property used to provide cable television services, Internet access services, or telecommunications services.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2825, As Introduced: a negative impact of (\$229,000,000) through the biennium ending August 31, 2027.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$101,150,000)
2027	(\$127,850,000)
2028	(\$134,650,000)
2029	(\$143,210,000)
2030	(\$152,040,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Revenue (Loss) from General Revenue Fund 1</i>
2026	(\$101,150,000)
2027	(\$127,850,000)
2028	(\$134,650,000)
2029	(\$143,210,000)
2030	(\$152,040,000)

Fiscal Analysis

The bill would exempt the sale, lease, rental, storage, use, or other consumption of tangible personal property (TPP) used in cable television, internet access, or telecommunications services from the sales and use tax.

The bill would repeal the current law exemption for Property Used in Cable Television, Internet Access, or Telecommunications Services that is capped at \$50 million annually.

The bill would take effect January 1, 2026.

**Methodology**

The repeal of Section 151.3186, Tax Code, would remove the \$50 million dollar limit in place under current law for the refund of TPP purchased for use in cable television, internet access, or telecommunications services. According to the Comptroller, their records regarding the total number of refund requests made were adjusted by removing the \$50 million dollar limit, with the resultant loss in revenue reflected in the table above.

**Local Government Impact**

The bill states that the new exemption would not apply to local sales and use tax, therefore there would be no fiscal impact on local governments.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, KK, SD