LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 27, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3045** by Gerdes (relating to a franchise tax exemption for corporations operating a spaceport for certain national defense purposes.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3045, Committee Report 1st House, Substituted: an impact of $0 through the biennium ending August 31, 2027.

Additionally, the bill will have a direct impact of a revenue loss to the Property Tax Relief Fund of ($2,920,000) for the 2026-27 biennium. Any loss to the Property Tax Relief Fund must be made up with an equal amount of General Revenue to fund the Foundation School Program.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to *General Revenue Related Funds*
2026	$0
2027	$0
2028	$0
2029	$0
2030	$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from *Property Tax Relief Fund* 304
2026	($780,000)
2027	($2,140,000)
2028	($3,000,000)
2029	($3,890,000)
2030	($4,670,000)

Fiscal Analysis

The bill would exempt corporations operating a spaceport for certain national defense purposes. The bill would exempt a corporation from the franchise tax if the corporation operates a spaceport authorized by the Federal Aviation Administration and has a contract with the United States Department of Defense to provide spaceflight or launch services to that department.

The bill would take effect September 1, 2025.

Methodology

According to the Comptroller, this estimate is based on what taxable entities who meet the bill's requirements for exemption currently pay in franchise tax, extrapolated forward to reflect expected growth and expiration of the credit for research and development expenditures.

Because the bill exempts a corporation that operates a spaceport from franchise tax, rather than excluding from revenue for franchise tax purposes only revenue derived from spaceport activity, the cost for the exemption could be substantially greater than the estimate above, were a corporation principally engaged in other lines of business to acquire an operator of an FAA spaceport.

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