LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 20, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3486** by Hunter (Relating to a reduction in the amount of sales and use tax collections that the owners of restaurants that purchase Texas farm-raised oysters are required to remit to the comptroller of public accounts.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3486, As Introduced: a negative impact of ($131,000) through the biennium ending August 31, 2027.

General Revenue-Related Funds, Five- Year Impact:

Fiscal Year	**Probable Net Positive/(Negative) Impact to** ***General Revenue Related Funds***
2026	($64,000)
2027	($67,000)
2028	($70,000)
2029	($74,000)
2030	($78,000)

All Funds, Five-Year Impact:

Fiscal Year	**Probable Revenue (Loss) from** ***General Revenue Fund*** **1**
2026	($64,000)
2027	($67,000)
2028	($70,000)
2029	($74,000)
2030	($78,000)

Fiscal Analysis

The bill would reduce the amount of sales and use tax collections that the owners of restaurants that purchase Texas farm-raised oysters are required to remit to the Comptroller.

The bill would allow a taxpayer that owns a food service establishment, as defined by the bill, to deduct $5 for every 100 Texas farm-raised oysters purchased for preparation and service at the food service establishment.

The bill would allow the Comptroller to require a taxpayer who makes a deduction to provide any information the Comptroller determines is necessary to determine the accuracy of the deduction. The bill would also direct the Comptroller to adopt rules necessary to implement and administer the new Subchapter.

The bill would take effect October 1, 2025.

Methodology

According to a report released by the Texas Parks and Wildlife Department there were 14 operating oyster farms as of February 2025. An estimated 1,400,000 million Texas farm-raised oysters were sold in 2024. According to the Comptroller, the effect on state sales tax collections of restaurants deducting $5 for every 100 Texas farm raised oysters purchased for preparation and service at a food service establishment is reflected in the table above.

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