

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 2, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB752 by Bettencourt (Relating to the repeal of the inheritance tax and the tax on combative sports events.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB752, As Introduced: a negative impact of (\$1,202,000) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$601,000)
2017	(\$601,000)
2018	(\$601,000)
2019	(\$601,000)
2020	(\$601,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1
2016	(\$601,000)
2017	(\$601,000)
2018	(\$601,000)
2019	(\$601,000)
2020	(\$601,000)

Fiscal Analysis

The bill would amend Chapter 2052 of the Occupations Code to repeal the combative sports admissions tax, and would repeal Chapter 211 of the Tax Code to eliminate inheritance taxes.

The bill would take effect September 1, 2015.

Methodology

The combative sports admissions tax is a 3 percent levy on the ticket sales for an event, plus 3 percent of gross receipts from sales of broadcast rights or \$30,000 whichever is greater. The annual losses were estimated based on the 2016-17 Biennial Revenue Estimate.

The state's inheritance tax has collected no significant revenue since fiscal 2005, and it is expected its repeal would have no fiscal impact.

The Comptroller's office has indicated that repealing the inheritance tax, when combined with the repeal of taxes on liquefied gas, controlled substances, oil regulation, sulphur, and fireworks, will allow the Comptroller to redeploy resources to audit and enforcement activities for other sources of revenue. It is expected that redeploying these resources will generate revenue sufficient to offset revenue lost from repealing inheritance and combative sports admissions taxes.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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