

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB 2349
Version:	FULLPCS1
Request Number:	7938
Author:	Rep. Leslie Osborn
Date:	5/15/2017
Impact:	Tax Commission:
	Net Positive Revenue:
	Estimated FY-18: \$72.8 Million
	Teacher Salary Cost Estimates:
	\$53.5 Million

Research Analysis

HB2349 adds the following to list of goods and services subject to sales tax:

- video programming services, which includes direct to home satellite services and cable services;
- digital products that are transferred electronically, which includes digital audio, audio-visual works and books; and
- fur storage.

The measure also eliminates sale tax exemptions provided for motor vehicle and aircraft leases.

Lastly, the measure modifies the minimum salary schedule for public school teachers by increasing the minimum salary for each pay level by \$1000 beginning with the 2017-2018 school year.

Prepared By: Quyen Do

Fiscal Analysis

The measure includes provisions for certain products, including video programming, direct-to-home satellite, cable transmission, electronically transferred digital audio-visual works, audio works, digital books, long-term motor vehicle leases, aircraft leases and fur storage to be subject to sales tax.

The measure also provides \$1,000 increases to the teacher minimum salary schedule.

Estimates from the Tax Commission indicate the sales tax products will result in net positive revenue approaching \$72,770,917 (before statutory apportionment).

Estimates from the Department of Education indicate the cost of the teacher salary increase to be \$53,357,000.

Prepared By: Mark Tygret

Other Considerations

None.

