

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 8, 2015**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: SB881** by Nelson (relating to the dedication of certain wine-related revenue.), **Committee Report 1st House, Substituted**

**The bill would not affect the amounts collected for any tax revenue source, but it would shift the allocation for an indeterminate portion of the specified tax revenues from the General Revenue Fund to specific state agencies, institutions of higher education, and the Wine Industry Development Fund.**

The bill would amend Section 205.03 of the Alcoholic Beverage Code, regarding revenue allocations and exceptions for certain wine-related revenue.

The bill would direct the lesser of \$1 million, or the revenue derived from excise taxes on wine produced outside Texas and the revenue derived from sales taxes collected from out-of-state winery direct shipper's permit holders that is above the revenue collected from those sources for fiscal 2014, compounded annually for fiscal years 2015-2025 by the average annual percentage increase for that revenue from September 1, 2005 to August 31, 2013, to be appropriated only as specified in this section.

In addition, the bill also would direct the lesser of \$1 million, or the revenue derived from excise taxes on wine produced in Texas and the revenue derived from sales taxes collected from winery permit holders in Texas that is above the revenue collected from those sources for fiscal 2014, compounded annually for fiscal years 2015-2025 by the average annual percentage increase for that revenue from September 1, 2005 to August 31, 2013, to be appropriated only as specified in this section.

The bill would direct the portions of the specified tax revenues as determined above could be appropriated only to the Texas A&M AgriLife Extension Service, the Texas Tech University Viticulture and Enology Program, the Texas Wine Marketing Research Institute at Texas Tech University, the T.V. Munson Viticulture and Enology Center of the Grayson County Community College District, or for deposit in the Wine Industry Development Fund.

The Texas Alcoholic Beverage Commission cannot distinguish excise tax paid on wine made in-state versus out-of-state. Also, the Comptroller of Public Accounts cannot distinguish winery permit holders or out-of-state winery direct shipper's permit holders from other sales tax payers. Due to these data limitations, the allocation amounts cannot be determined.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated

revenue source. Therefore, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would take effect September 1, 2015. Its provisions would expire September 1, 2025.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 551 Department of Agriculture, 555 Texas A&M AgriLife Extension Service, 556 Texas A&M AgriLife Research, 768 Texas Tech University System Administration

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