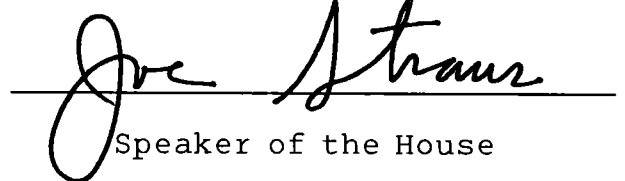
  
\_\_\_\_\_  
President of the Senate

  
\_\_\_\_\_  
Speaker of the House

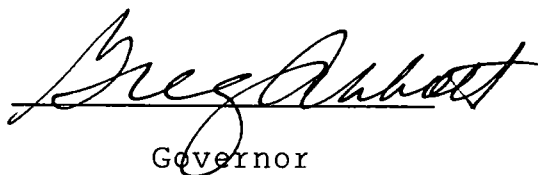
I certify that H.B. No. 2126 was passed by the House on April 20, 2017, by the following vote: Yeas 143, Nays 0, 1 present, not voting.

  
\_\_\_\_\_  
Chief Clerk of the House

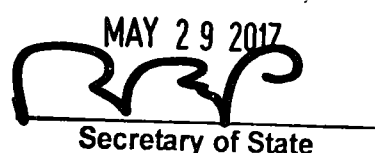
I certify that H.B. No. 2126 was passed by the Senate on May 18, 2017, by the following vote: Yeas 30, Nays 0.

  
\_\_\_\_\_  
Secretary of the Senate

APPROVED: 5-29-2017  
Date

  
\_\_\_\_\_  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
8:00 PM O'CLOCK

MAY 29 2017  
  
\_\_\_\_\_  
Secretary of State

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 9, 2017**

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

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

**IN RE: HB2126** by Button (Relating to the franchise tax rate applicable to certain taxable entities that sell telephone prepaid calling cards.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 171 of the Tax Code, regarding the franchise tax, by adding a subsection stating that the provision of telecommunications services does not include selling telephone prepaid calling cards. In order for a taxable entity to be eligible for the reduced tax rate for being primarily engaged in wholesale and retail trade the entity may not provide retail or wholesale utilities including telecommunications services.

The Comptroller's position is that selling prepaid calling cards is not selling telecommunications services. Therefore the bill would have no effect on franchise tax liability and no fiscal impact to the state.

The bill would take effect January 1, 2018.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 28, 2017**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

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

**IN RE: HB2126** by Button (Relating to the franchise tax rate applicable to certain taxable entities that sell telephone prepaid calling cards.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 171 of the Tax Code, regarding the franchise tax, by adding a subsection stating that the provision of telecommunications services does not include selling telephone prepaid calling cards. In order for a taxable entity to be eligible for the reduced tax rate for being primarily engaged in wholesale and retail trade the entity may not provide retail or wholesale utilities including telecommunications services.

The Comptroller's position is that selling prepaid calling cards is not selling telecommunications services. Therefore the bill would have no effect on franchise tax liability and no fiscal impact to the state.

The bill would take effect January 1, 2018.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**TAX/FEE EQUITY NOTE**

**85TH LEGISLATIVE REGULAR SESSION**

**March 27, 2017**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

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

**IN RE: HB2126** by Button (Relating to the franchise tax rate applicable to certain taxable entities that sell telephone prepaid calling cards.), **As Introduced**

No statistically significant impact on the overall distribution of a state tax or fee burden among individuals and businesses is anticipated from the provisions of this bill.

**Source Agencies:**

**LBB Staff:** UP, KK