

SUBJECT: Creating a sales tax holiday for LED lightbulbs

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 10 ayes — D. Bonnen, Y. Davis, Bohac, Button, Darby, Martinez Fischer, Murphy, Parker, C. Turner, Wray

0 nays

1 absent — Springer

WITNESSES: For — (*Registered, but did not testify:* Jeff Bonham, CenterPoint Energy, Inc.; Cyrus Reed, Lone Star Chapter Sierra Club; Ned Munoz, Texas Association of Builders; Jim Sheer, Texas Retailers Association; Brian Yarbrough, the Home Depot)

Against — None

On — Brad Reynolds, Texas Comptroller of Public Accounts;
(*Registered, but did not testify:* Eric Stearns, Texas Comptroller of Public Accounts)

BACKGROUND: Current law provides for a sales tax holiday for a variety of energy-efficient products, including incandescent and fluorescent lightbulbs. LED lightbulbs, not currently included in the list of energy-efficient products for which there is a sales tax holiday, typically use between 25 percent to 80 percent less energy than traditional lightbulbs and can last up to 25 times longer, according to the U.S. Department of Energy.

DIGEST: HB 1625 would add LED lightbulbs to a list of energy-efficient products that are exempted from sales taxes on Memorial Day weekend.

This bill would take effect September 1, 2015, and would not affect tax liability accruing before that date.

NOTES: The Legislative Budget Board's fiscal note indicates that this bill would

have a negative net impact of \$1.4 million to general revenue in fiscal 2016-17.