



SPORTING GOODS SALES TAX (SGST) SUMMARY

WHAT IS IT?

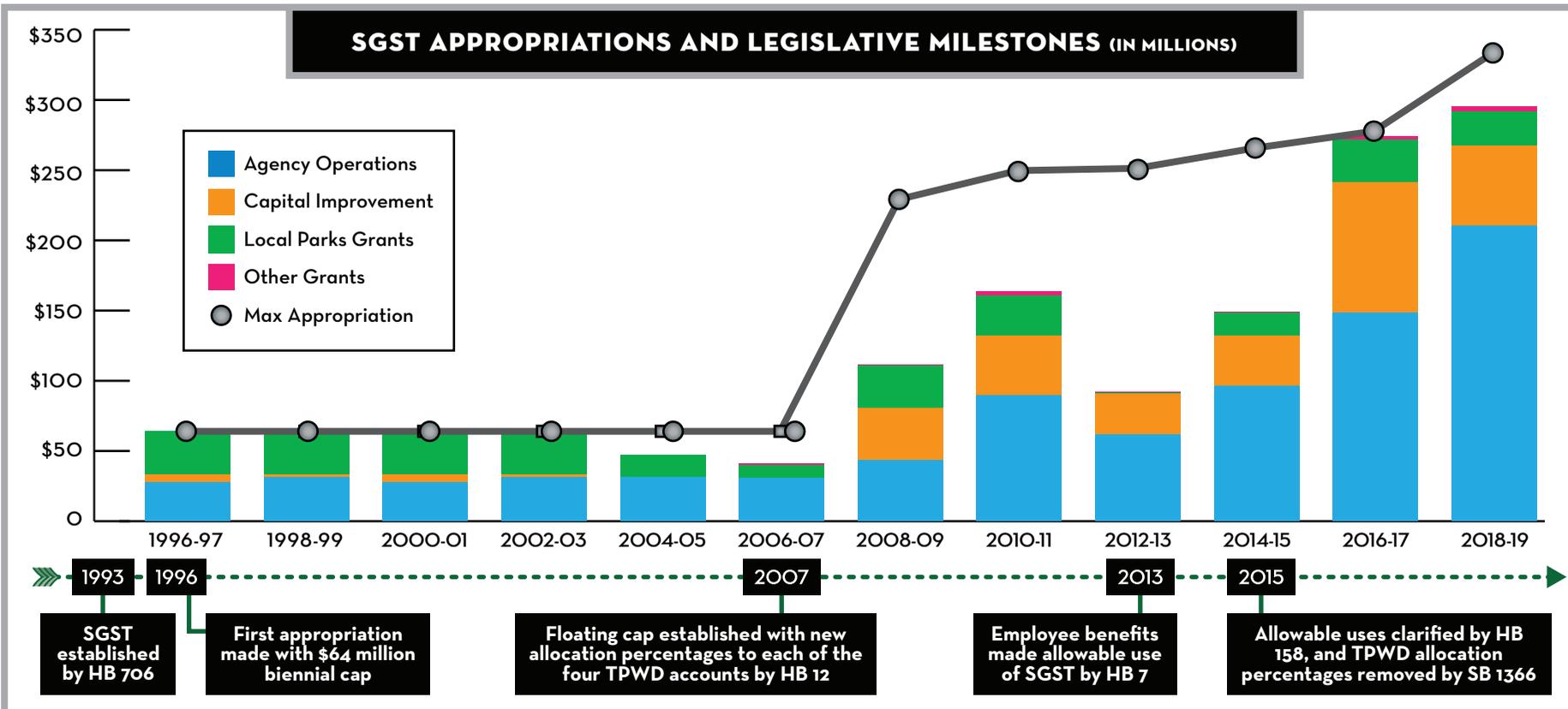
Sporting Goods Sales Tax (SGST) is not a separate tax, but is the estimated portion of state tax revenue collected from the sale of sporting goods. The Legislature first appropriated the proceeds from the collection of sales tax on sporting goods to the Parks and Wildlife Department (TPWD) in the 1996-97 biennium. SGST is a form of General Revenue (GR) that replaced the portion of cigarette tax TPWD had previously received. For the 2008-09 biennium, the Texas Historical Commission (THC) became eligible to receive up to 6.0% of SGST revenue, with the remaining 94.0% available to TPWD. From fiscal years 1996 to 2007, the maximum appropriation of SGST was limited to \$64.0 million in a biennium. Beginning in fiscal year 2008, the entire estimated amount of SGST was available for appropriation. The 84th Legislature enacted HB 158 to clarify the allowable uses of SGST and SB 1366 to remove statutory maximum allocation percentages of SGST among four General Revenue-Dedicated (GR-D) accounts.

The 85th Legislature appropriated 88.6% of the SGST available (88.6% to TPWD and 90.0% to THC). Amounts of SGST not appropriated remain in the GR Fund.

WHERE DOES IT COME FROM?

The Comptroller of Public Accounts estimates the revenue from the sales tax on sporting goods using national surveys of the sporting goods market. The Comptroller estimated the following distribution of SGST revenue for the 2012-13 biennium, which is the most recent categorized estimate available:

SOURCES OF SGST REVENUE

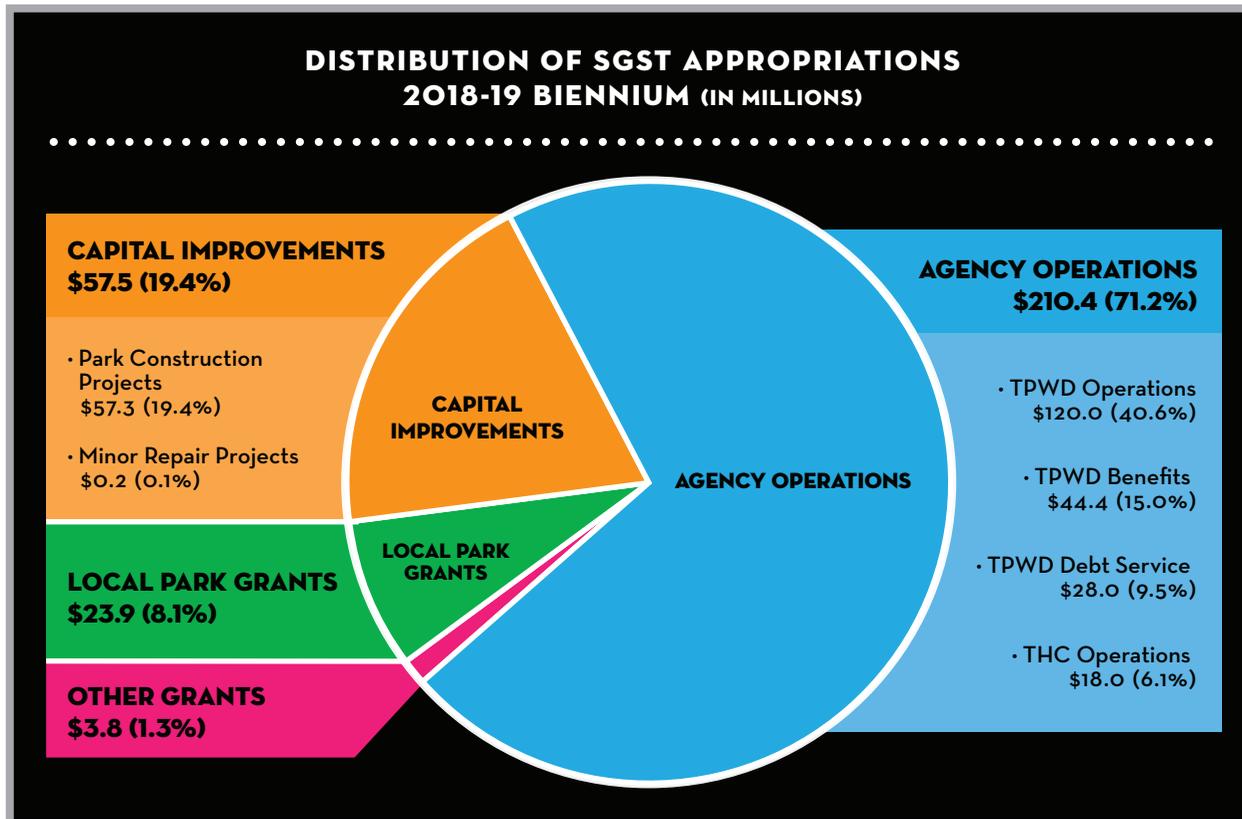




WHAT IS IT FOR?

Administration and operations at THC and TPWD uses approximately 71.2% of SGST revenue. About 19.4% of SGST revenue is for capital improvements. The remaining amount is for grants, primarily for local park development.

In the figure below, THC operations includes the administration, operation, and maintenance of THC's state historic sites. TPWD Operations include the operation and administration of TPWD's state historic sites, state natural areas, and state parks. TPWD benefits include estimated payroll benefits for employees paid with SGST. TPWD debt service refers to the estimated debt service payments on bonds for projects related to the State Parks Division. Park construction projects include the planning and construction of new infrastructure for the State Parks Division, and minor repair projects include maintenance and improvements on existing infrastructure.



WHERE DOES IT GO?

Appropriations for the 2018-19 biennium total \$295.6 million, including \$277.6 million to TPWD, or on its behalf for benefits and debt service, and \$18.0 million to THC. Appropriations of SGST to THC are from GR. Appropriations of SGST to TPWD are first transferred to one of four GR-D accounts.



| Account | Allowable Uses | Direct Appropriations | Indirect Appropriations (Est. Benefits & Debt Service) | TOTAL |
|---|--|-----------------------|--|----------------|
| TEXAS HISTORICAL COMMISSION (THC) | | | | |
| SGST (Acct #8118) | Administration, operation, preservation, repair, and maintenance of historic sites | \$18.0 | \$0.0 | \$18.0 |
| TEXAS PARKS AND WILDLIFE DEPARTMENT (TPWD) | | | | |
| State Parks (Acct #64) | State parks operations and support | \$120.2 | \$67.9 | \$188.1 |
| Texas Recreation & Parks (Acct #467) | Grants to city or county with population under 500,000 for local parks or other recreation opportunities | \$18.0 | \$2.6 | \$20.6 |
| Large County & Municipality Recreation & Parks (Acct #5150) | Grants to cities or counties with populations over 500,000 for local parks or other recreation opportunities | \$9.7 | \$1.9 | \$11.6 |
| Conservation & Capital (Acct #5004) | Acquisition and development, maintenance, and operation of state parks | \$57.3 | \$0.0 | \$57.3 |
| TOTAL | | \$223.2 | \$72.4 | \$295.6 |