



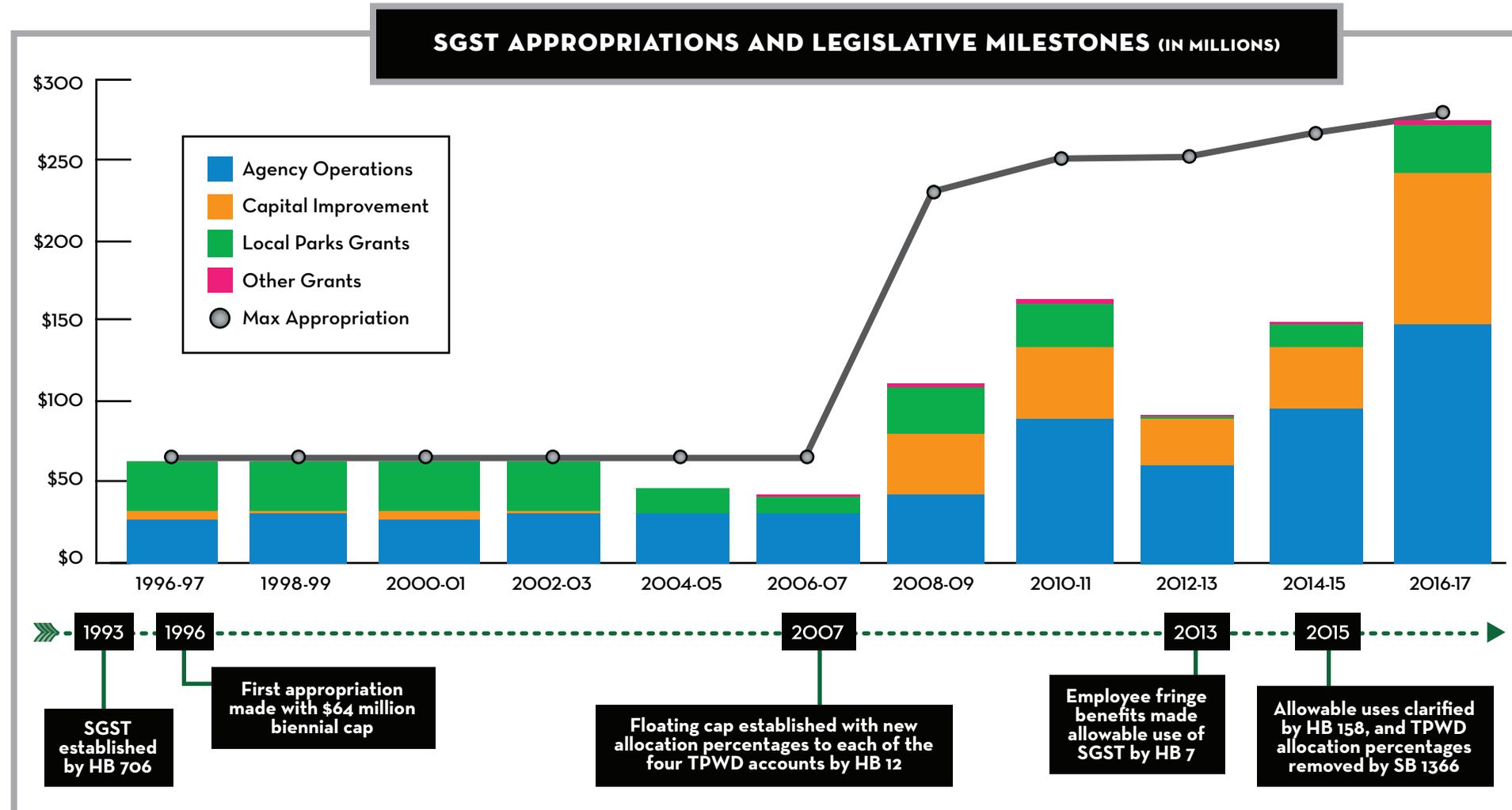
# LEGISLATIVE BUDGET BOARD Sporting Goods Sales Tax (SGST) Summary

## WHAT IS IT?

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. Sporting Goods Sales Tax (SGST) is a form of General Revenue (GR) that replaced the portion of cigarette tax TPWD had previously received. SGST is not a separate tax, but is the portion of state tax revenue estimated to be collected from the sale of sporting goods. For the 2008-09 biennium, use of SGST was expanded to include the Texas Historical Commission (THC), which is eligible to receive up to six percent of SGST revenue, with the remaining 94 percent available to TPWD.

From fiscal years 1996 to 2007, the maximum appropriation of SGST was limited to \$64 million in a biennium. Beginning in fiscal year 2008, the entire estimated amount of SGST was available to be appropriated. The 84th Legislature appropriated 100 percent available to TPWD, and 77 percent of the amount available to THC. Amounts of SGST not appropriated remain in the GR Fund.

**SGST APPROPRIATIONS AND LEGISLATIVE MILESTONES (IN MILLIONS)**



## 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**

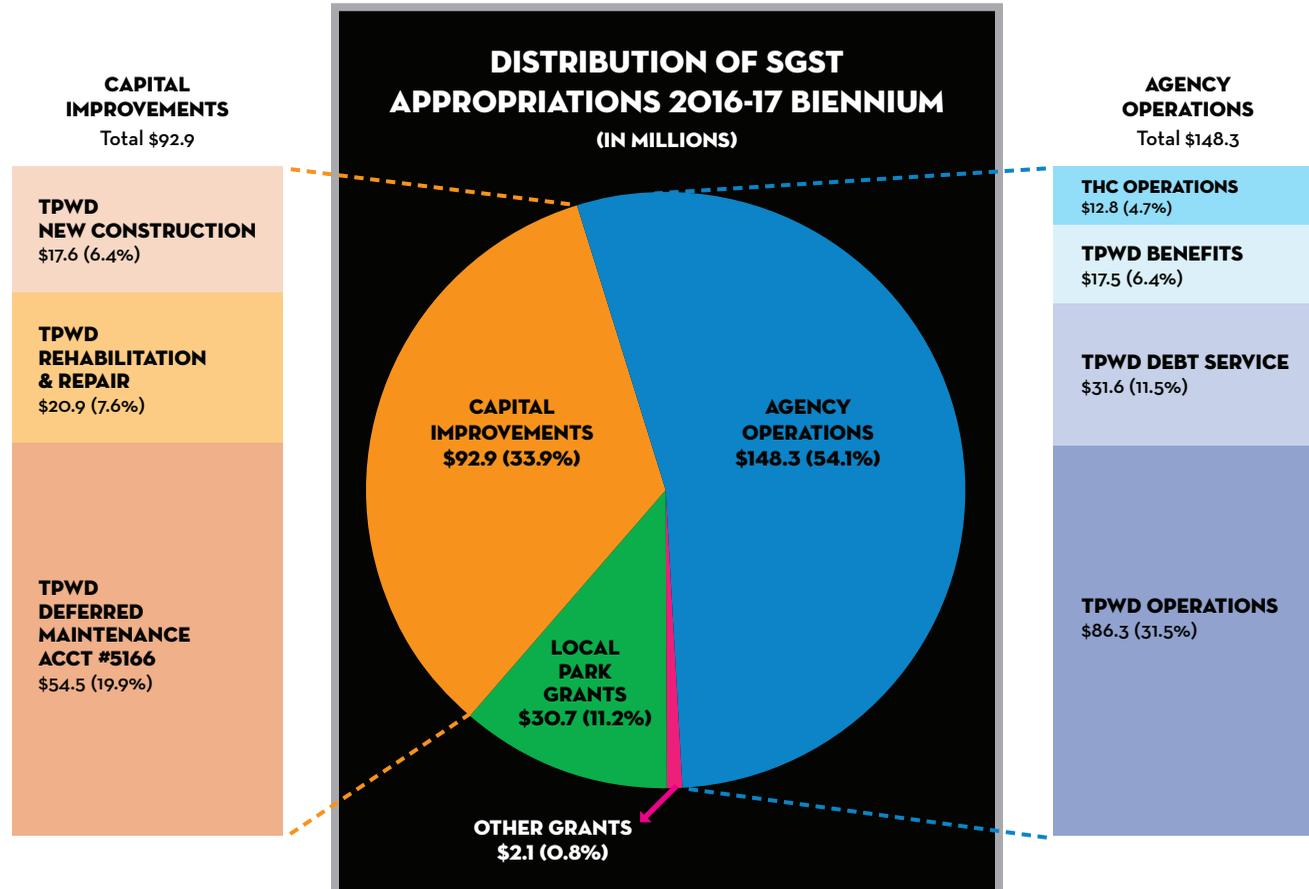




## WHAT IS IT FOR?

Texas law limits the use of SGST in the budget. Approximately half of all SGST revenue is used for administration and operations. About one-third of SGST revenue is used for capital improvements, including the amounts transferred to the Deferred Maintenance Account. The remaining amount is used 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. New construction includes the planning and construction of new infrastructure for the State Parks Division, and rehabilitation and repair includes amounts of SGST transferred to the newly created Deferred Maintenance Account No. 5166 that is appropriated back to TPWD from that method of finance.



## WHERE DOES IT GO?

Appropriations for the 2016-17 biennium total \$274.0 million, including \$261.1 million to TPWD, or on its behalf for benefits and debt service, and \$12.8 million to THC. While SGST is directly appropriated from GR for THC, appropriations to TPWD are transferred to one of four General Revenue-Dedicated accounts. Amounts transferred to the Deferred Maintenance Account No. 5166 from TPWD's SGST appropriations and appropriated to TPWD totaled \$54.5 million.



Account	Allowable Uses	Direct Appropriations	Indirect Appropriations (Est. Benefits & Debt Service)	Transfers to Deferred Maintenance (Acct #5166)	TOTAL
<b>TEXAS HISTORICAL COMMISSION (THC)</b>					
SGST (Acct #8118)	Administration, operation, preservation, repair, and maintenance of historic sites	\$12.8	\$0.0	\$0.0	\$12.8
<b>TEXAS PARKS AND WILDLIFE DEPARTMENT (TPWD)</b>					
State Parks (Acct #64)	State parks operations and support	\$122.1	\$48.5	\$47.9	\$218.5
Texas Recreation & Parks (Acct #467)	Grants to city or county with population under 500,000 for local parks or other recreation opportunities	\$18.6	\$0.4	\$0.0	\$19.0
Large County & Municipality Recreation & Parks (Acct #5150)	Grants to cities or counties with populations over 500,000 for local parks or other recreation opportunities	\$14.2	\$0.2	\$0.0	\$14.4
Conservation & Capital (Acct #5004)	Acquisition and development, maintenance, and operation of state parks	\$2.6	\$0.0	\$6.6	\$9.2
<b>TOTAL</b>		<b>\$170.4</b>	<b>\$49.1</b>	<b>\$54.5</b>	<b>\$274.0</b>