



MAY 2017

FISCAL NOTES

ALSO INSIDE THIS ISSUE:

THE COMPTROLLER'S AUDIT DIVISION **6**

STATE REVENUE WATCH **11**

Women-Owned Businesses in Texas

By Joyce Jauer, Lauren Mulverhill and Bruce Wright



STRIVING AND THRIVING IN TODAY'S ECONOMY

Texas appears at or near the top of most “best of” lists for its business friendliness. But it’s also a great location for an increasing number of women-owned enterprises.

Women play a huge role in the U.S. labor force, recently accounting for nearly 47 percent of the total. And they’re moving into ownership roles as well.

According to one recent study, women-owned businesses now account for 38 percent of all U.S. firms, employ 8 percent of the private-sector workforce and account for 4 percent of the nation’s business revenues. Between 2007 and 2016, the number of women-owned firms in the U.S. rose five times as fast as the total number of companies.

Women-owned businesses now account for 38 percent of all U.S. firms and employ 8 percent of the private-sector workforce.

In its sixth annual study based on U.S. Census Bureau data, American Express OPEN reported impressive growth in women-owned businesses in Texas. According to its *2016 State of Women-Owned Businesses Report*, which evaluated the nine-year period since the 2007 recession:

- Texas was second only to California in its number of women-owned firms.
- Texas ties for first in the nation for the economic “clout” of its women-owned businesses — a measure combining the growth in their number, employment and revenues from 2007 to 2016 (**Exhibit 1**).
- San Antonio, Dallas, Houston and Austin are among the top 10 U.S. metropolitan areas for economic clout (**Exhibit 2**).

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A Message from the Comptroller

Texans have been tremendously successful in starting and attracting new businesses — and smashing glass ceilings. We're one of the best places in the nation for women-owned businesses to put down roots and grow.



Recent studies rank Texas high for the growth of women-owned firms. Their numbers, revenues, job counts and economic clout are all rising rapidly. San Antonio, Dallas, Houston and Austin are among the top U.S. metropolitan areas for thriving women-owned businesses. In this issue of *Fiscal Notes*, we interview some prominent Texas businesswomen and examine the challenges and opportunities they face, while highlighting the ways in which our state government tries to encourage their success.

We also look at the work of the Comptroller's Audit Division, which is responsible for one of our most important functions — ensuring businesses and individuals pay the appropriate state taxes so everyone else's tax bills don't go up further.

It's a complex job that involves hundreds of auditors based around the state and the nation. Our auditors go through years of training in every facet of Texas tax law, and are recognized and respected throughout private industry for their talent and expertise.

As always, I hope you enjoy this issue!


GLENN HEGAR
 Texas Comptroller of Public Accounts

PORT OF ENTRY • PORT OF PORT ARTHUR

Texas' location and diverse economy offer unique trade opportunities and make it a critical gateway to global business. Our state boasts **29 OFFICIAL PORTS** of entry that facilitated nearly **\$650 BILLION** in trade in 2015, trade that supports an estimated **1.6 MILLION TEXAS JOBS** and adds **\$224.3 BILLION** to our gross state product annually. Our ports of entry benefit every part of our state. By highlighting them, we hope to emphasize their importance to a strong, diverse and growing Texas economy.

 **Glenn Hegar**
 Texas Comptroller of Public Accounts

Port rail system (operated by Kansas City Southern) includes three wharf tracks with 150 rail-car dockside capacity

24-hour channel and dock accessibility

550,000 square-foot transit ship terminal

Four-berth facility with roll-on/roll-off and gantry crane capabilities

SABINE LAKE

THE PORT OF PORT ARTHUR IS PART OF THE SABINE-NECHES WATERWAY, WHICH RECENTLY SURPASSED THE PORT OF NEW YORK AND NEW JERSEY IN TERMS OF SHIPMENTS: MORE THAN 129 BILLION TONS.

Source: U.S. Army Corps of Engineers

ROOM TO GROW

In May 2016, Port Arthur voters approved the sale of \$89 million in bonds to modernize and expand port facilities. Construction associated with these bonds will begin this year and employ up to 350 construction workers.

Source: Port of Port Arthur

PORT OF PORT ARTHUR: TOP IMPORTS AND EXPORTS

IMPORTS: OIL
 PETROLEUM PRODUCTS
 wood pulp
 Chemicals

EXPORTS: GASOLINE
 PETROLEUM PRODUCTS
 Chemicals

BY THE NUMBERS

The Port of Port Arthur's contributions to the Texas economy include:

TOTAL TRADE (2015) \$18.2 BILLION

DIRECT AND INDIRECT EMPLOYMENT 68,000

GSP \$9.7 BILLION

Sources: Texas Comptroller of Public Accounts, REMI

THE PORT OF PORT ARTHUR IS ONE OF 29 OFFICIAL TEXAS PORTS OF ENTRY. To see a complete list, plus more in-depth regional data, visit: comptroller.texas.gov/economy/economic-data/

If you would like to receive paper copies of *Fiscal Notes*, contact us at fiscal.notes@cpa.texas.gov

EXHIBIT 1

**TOP TEN STATES FOR WOMEN-OWNED FIRMS
BASED ON ECONOMIC "CLOUT,"
2007-2016***

| STATE | RANK IN NUMBER | RANK IN REVENUES | RANK IN EMPLOYMENT | COMBINED RANK, 2016 |
|--------------|----------------|------------------|--------------------|---------------------|
| North Dakota | 17 | 2 | 1 | 1 |
| South Dakota | 9 | 3 | 8 | 1 |
| TEXAS | 3 | 11 | 6 | 1 |
| Iowa | 30 | 4 | 4 | 4 |
| Indiana | 22 | 8 | 16 | 5 |
| Wyoming | 32 | 5 | 9 | 5 |
| Georgia | 2 | 25 | 20 | 7 |
| Tennessee | 7 | 19 | 21 | 7 |
| Utah | 21 | 17 | 10 | 9 |
| Maine | 50 | 1 | 2 | 10 |

*Economic clout represents the average of rankings in the number, revenues and employment growth of women-owned firms.

Source: American Express OPEN, *The 2016 State of Women-Owned Businesses Report*

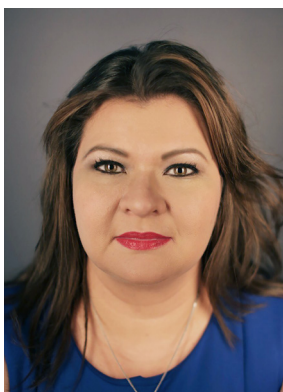
But there's still room for improvement. In the U.S. Census Bureau's 2014 Survey of Entrepreneurs, Texas-based, women-owned firms with employees accounted for about 20 percent of the state total and a little more than 5 percent of annual payrolls. Male-owned firms, by contrast, represented around 60 percent of all firms and 30 percent of payrolls. (Companies owned by both men and women accounted for the remainder.)

BARRIERS TO ENTREPRENEURSHIP

"Women entrepreneurs are a major economic force in the U.S., Canada and around the globe," says Claudia Mirza, CEO and Co-founder of Akorbi, a translation and global enterprise solutions company in Plano. "But while they start businesses at nearly twice the rate of men, they typically face a number of limiting factors in their abilities to scale up."

One of these is business education, a vital element in the success of many startups.

According to projections from the National Center for Education Statistics (NCES), women now represent the majority of U.S. students in post-secondary education, at an estimated 11.7 million female enrollees versus 8.8 million males in



CLAUDIA MIRZA
CEO AND CO-FOUNDER,
AKORBI

EXHIBIT 2

**TOP TEN U.S. METRO AREAS FOR WOMEN-OWNED FIRMS
BASED ON ECONOMIC "CLOUT,"
2007-2016***

| METRO AREA | RANK IN NUMBER | RANK IN REVENUES | RANK IN EMPLOYMENT | COMBINED RANK, 2016 |
|-----------------------|----------------|------------------|--------------------|---------------------|
| Charlotte NC/SC | 3 | 1 | 2 | 1 |
| SAN ANTONIO TX | 11 | 2 | 1 | 2 |
| DALLAS TX | 7 | 8 | 5 | 3 |
| Memphis TN/MS/AR | 1 | 5 | 14 | 3 |
| AUSTIN TX | 10 | 11 | 3 | 5 |
| Indianapolis IN | 13 | 7 | 4 | 5 |
| Miami FL | 4 | 13 | 13 | 7 |
| Detroit MI | 2 | 9 | 23 | 8 |
| Richmond VA | 25 | 4 | 17 | 9 |
| HOUSTON TX | 8 | 34 | 10 | 10 |

*Economic clout represents the average of rankings in the number, revenues and employment growth of women-owned firms.

Source: American Express OPEN, *The 2016 State of Women-Owned Businesses Report*

fall 2016. They're also the majority in graduate school, earning 452,118 master's degrees in 2014-15 versus 306,590 earned by men.

Yet men still hold the edge in business studies. In the 2014-15 school year, NCES reports U.S. universities conferred 191,310 bachelor's degrees in business to males and 172,489 to females. A similar disparity applies to graduate programs in business; the Graduate Management Admission Council reports that women accounted for 47 percent of graduate business degrees awarded in 2013-14, including masters of business administration (MBAs) as well as degrees in fields such as management, accounting and marketing. The disparity is much greater for MBAs considered separately, at about 36 percent female versus 64 percent male in North America.

In addition, women receive less seed funding to start and grow their businesses than men, and women report receiving loans with less favorable terms. The National Women's Business Council reports that women receive less than 5 percent of government funding for small businesses and less than 5 percent of venture capital funding.

"Little of all venture capital funding goes to women-owned companies, so fundraising is an obvious problem we face," says Ashley Jennings, chief marketing officer for DivInc, a "pre-accelerator" company launched in Austin in 2016 to help foster the growth and development of

CONTINUED ON PAGE 4

ethnically diverse and women-led tech companies.

BREAKING DOWN BARRIERS

Mirza says that as more women climb the corporate ladder and create their own businesses, they become role models.

“I believe that when you help a woman, you help future generations as well,” Mirza says. But she also notes the difficulty women face in connecting with business networks — clients, suppliers and peers who can act as mentors.



DEBBIE HURST
PRESIDENT,
WOMEN'S BUSINESS COUNCIL
SOUTHWEST

Debbie Hurst, president of the Women's Business Council Southwest, says organizations such as hers connect entrepreneurial women so they can learn from one another, develop partnerships and gain access to decision-makers.

“Helping entrepreneurs get in front of the right mentors, the right advisors and investors is key to growth,” Jennings says. “When you look around and none of those mentors look like you, it’s hard to overcome that mental barrier of ‘Do I belong here? Can I do this?’”

Access to capital is another particularly important issue. “It can be a major hurdle in women-owned businesses’ ability to scale,” Hurst says. “They need education about financing and determining what

Access to capital “can be a major hurdle in women-owned businesses’ ability to scale. They need education about financing and determining what options are right for their businesses.”

— Debbie Hurst, Women's Business Council Southwest

“Teamwork is essential, and it’s important that women entrepreneurs surround themselves with investors and team members with a common set of values.”

— Norine Yukon,
Texas Conference for Women



NORINE YUKON
BOARD MEMBER,
TEXAS CONFERENCE
FOR WOMEN

options are right for their businesses.”

Specialized boot camps and accelerators can provide a community for women entrepreneurs to access resources they need, such as financial support, mentorship, business development, recruitment and co-working space. DivInc’s 12-week pre-accelerator program provides critical components women need to turn their ideas into high-growth, scalable businesses.

“We’re not just focused on emphasizing the need for more women in leadership roles, whether in a startup or at a large corporation, but for women business owners to be creating workplaces, creating ecosystems themselves,” says Jennings. “That’s how we truly move the needle.”

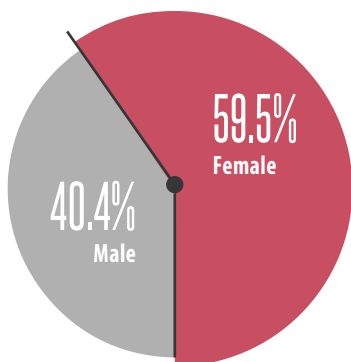
Texas Conference for Women board member Norine Yukon also offers advice for women entrepreneurs.

“Aside from taking advantage of every business opportunity offered through state programs for women-owned and minority-owned businesses, I recommend that women be very careful in building their teams,” she said. “Especially in startups and emerging companies, teamwork is essential, and it’s important that women entrepreneurs surround themselves with investors and team members with a common set of values.”

GENDER DISPARITY IN GRADUATE BUSINESS EDUCATION

All Master's Degrees

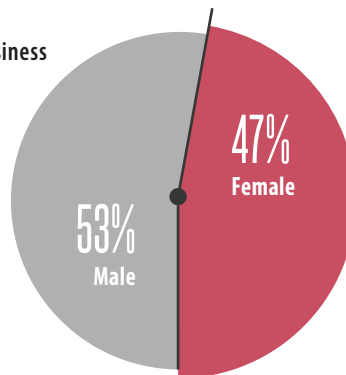
2014-15



Source: National Center for Education Statistics

Graduate Business Degrees

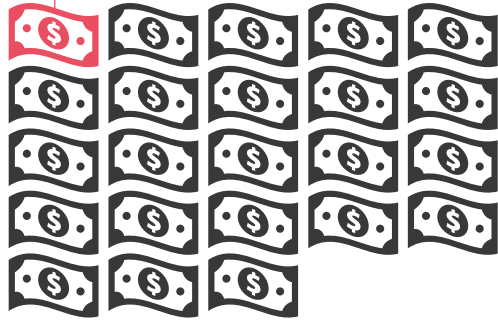
2013-14



Source: Graduate Management Admssion Council

WOMEN-OWNED BUSINESSES AND SMALL BUSINESS LOANS

Nationally, just **\$1** of every **\$23** in conventional small business loans goes to women-owned businesses.



Source: U.S. Senate Committee on Small Business and Entrepreneurship, *21st Century Barriers to Women's Entrepreneurship Majority Report*, 2014

ACCESS TO TOOLS

In a September 2015 address to the National Association of Women Business Owners, Texas Governor Greg Abbott noted that many startups are finding the freedom to flourish in Texas, and said he intends to make Texas the top state for women-owned businesses. "Women business owners are a powerful economic force, and my goal is to make Texas the most welcoming home for them," he said.

Abbott's promise is reflected in small-business forums his office hosts around the state, offering expert advice on financing, networking and marketing, as well as his support for the Texas Governor's Commission for Women. Originally established in 1983, the commission provides access to training in business creation and ownership and related topics, and also offers financial support, legal aid and business and employment assistance to hundreds of Texas women. The commission and Texas First Lady Cecilia Abbott cohost the annual Texas Conference for Women, the nation's largest event of its kind, which provides opportunities for networking and professional and personal growth as well as workshops for entrepreneurs and small businesses.

Still another resource is the Center for Women in Business at Texas Woman's University, which provides training, funding, coaching and networking opportunities for prospective business owners and students.

The Comptroller's office manages perhaps the most important state program available to women-owned businesses — certification as a historically underutilized business (HUB).

The Comptroller's office manages perhaps the most important state program available to women-owned businesses — certification as a historically underutilized business (HUB). To qualify for HUB status, a business must be at least 51 percent owned by women, minority members or service-disabled veterans who reside in Texas and actively participate in the business.

Texas HUBs are listed as sources for state purchasing and public works contracts. The Comptroller's HUB directory is regularly searched by vendors required to include certified HUBs in subcontracting plans for projects of \$100,000 or more. In addition, the agency administers a mentorship program designed to foster relationships between prime contractors and HUBs.

The federal government also makes efforts to give women-owned businesses a competitive advantage. The Women's Equity in Contracting Act of 2000 provides federal contracting assistance to small businesses owned and controlled by women. The Women-Owned Small Business Federal Contract Program, created in 2011, has designated industries in which women-owned small businesses are underrepresented and awarded 182,791 federal contracts worth \$11.5 billion to such businesses.

LEVERAGING OUR STRENGTHS

According to American Express OPEN, the number of women-owned firms in Texas has risen by more than 111 percent since 2002. But that growth has leveled off considerably in recent years: the count rose by 42 percent from 2007 through 2012 but by only 14 percent since then.

How can we keep that growth on track? One way is to leverage our existing strengths. For example, Dell Inc. and IHS, an information and analytics provider, have created a measure of cities' ability to attract and support "high-potential" women entrepreneurs. Austin received a global ranking of 12th in 2016, scoring particularly well in markets — a measure including local policies, the size of the market and the costs of remaining profitable in that market — and technology, available connectivity and its costs.

Specific strengths in one's own area can be used to attract and support growth. Much like launching a business, however, developing these strengths requires investment.

"When individuals, private industry and government do business with women-owned businesses, they invest in the diversity of our communities and our state," Hurst says, "and that's good for Texas." **FN**

The Comptroller's Audit Division

By Bruce Wright and Olga Garza

ENSURING FAIR TAXATION IN TEXAS

The Texas Comptroller's office collects revenue from more than 60 separate state taxes, fees and assessments — about \$48.5 billion in fiscal 2016. And making sure the appropriate amounts are collected is the responsibility of the Comptroller's Audit Division, the agency's largest.

The Audit Division works to ensure Texas taxes are administered fairly through audits conducted as efficiently as possible and with the least inconvenience to taxpayers.

"With our taxpayers, service is important," Audit Division Director Denise Stewart says. "We see them as our customers, and you have to take care of your customers. We conduct highly focused audits, concentrating on significant activities, and we prepare for them very carefully. We don't want

to waste taxpayers' time or money."

An audit doesn't have to be adversarial, either. Comptroller auditors often help businesses identify and correct bookkeeping problems to avoid additional tax liabilities in the future.

The Audit Division also promotes tax compliance by educating taxpayers about the legal requirements for proper tax payment and reporting, reaching out through periodic seminars around the state as well as an extensive array of online resources designed to familiarize taxpayers with the process.

"We do a lot of educational activities with the companies we audit," Stewart says. "We want to make sure they learn what's taxable and what isn't."

The division has more than 700 employees, including about 540 auditors, located in 18 in-state offices as well as in New York, Los Angeles, Chicago and Tulsa (**Exhibit 1**); an audit review and processing center in Euless; and a headquarters in Austin.

"We conduct highly focused audits, concentrating on significant activities, and we prepare for them very carefully.

We don't want to waste taxpayers' time or money."

— Denise Stewart, Audit Division Director



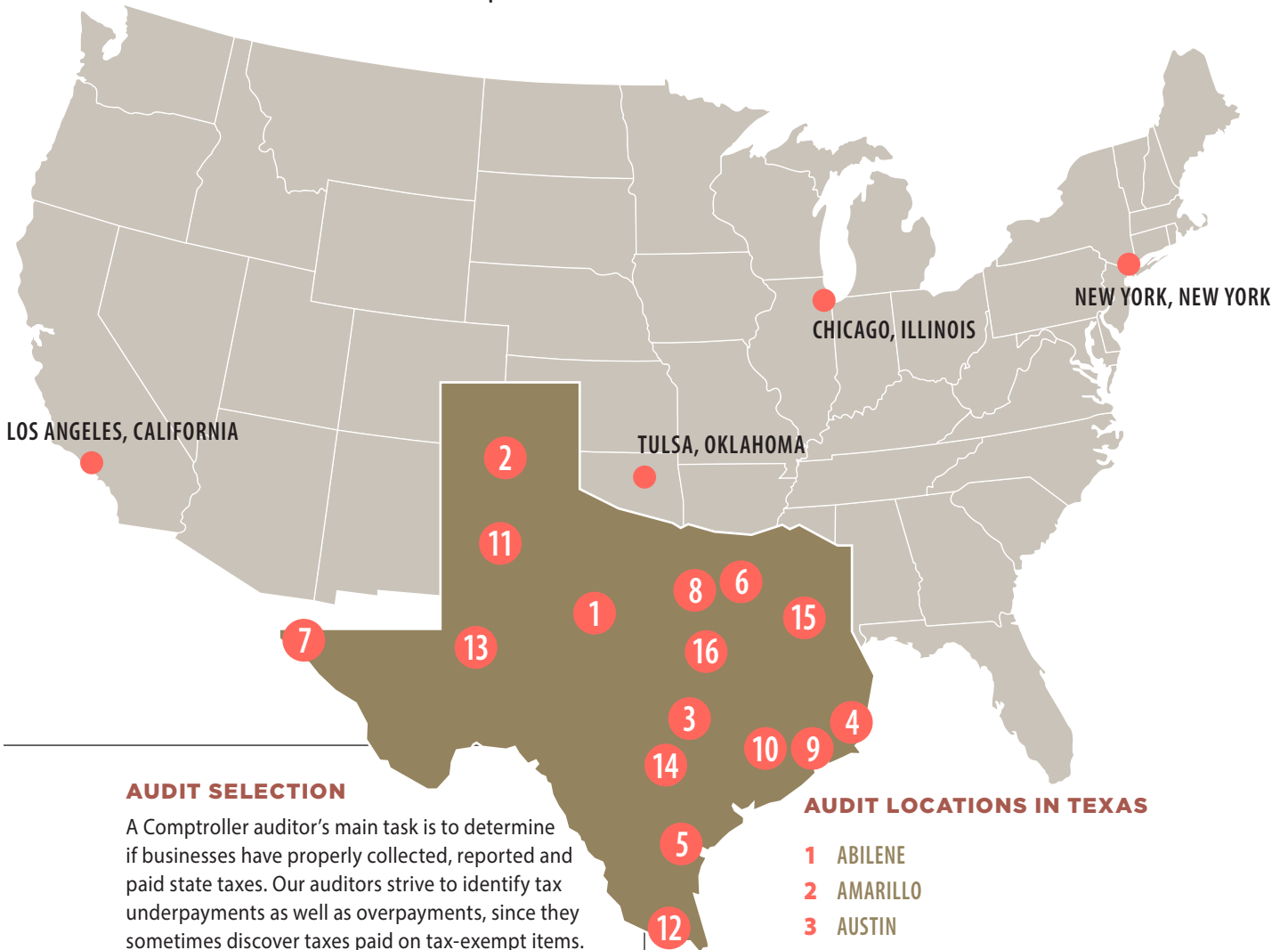
DENISE STEWART
DIRECTOR,
TEXAS COMPTROLLER
AUDIT DIVISION



Members of the Comptroller's Audit Division.

AROUND THE STATE, ACROSS THE NATION

The Texas Comptroller's Audit Division has field offices in:



AUDIT SELECTION

A Comptroller auditor's main task is to determine if businesses have properly collected, reported and paid state taxes. Our auditors strive to identify tax underpayments as well as overpayments, since they sometimes discover taxes paid on tax-exempt items.

The division audits companies ranging from mom-and-pop businesses to Fortune 500 firms, using a series of specific criteria to select candidates. The state's largest taxpayers are a common audit focus, as are taxpayers with previous audits revealing substantial amounts of tax due.

Audit candidates also may be selected based on:

- computerized random selections;
- a targeted focus on a particular type of tax or industry;
- information-sharing programs with other agencies and governments;
- analyses of tax return information;
- information drawn from business publications; and
- leads submitted to our agency by the public.

CONTINUED ON PAGE 8

AUDIT LOCATIONS IN TEXAS

- 1 ABILENE
- 2 AMARILLO
- 3 AUSTIN
- 4 BEAUMONT
- 5 CORPUS CHRISTI
- 6 DALLAS (TWO)
- 7 EL PASO
- 8 FORT WORTH
- 9 HOUSTON (TWO)
- 10 KATY
- 11 LUBBOCK
- 12 MCALLEN
- 13 ODESSA
- 14 SAN ANTONIO
- 15 TYLER
- 16 WACO

Texas taxpayers must keep all records for a minimum of four years, which is the usual period reviewed in an audit. The division may audit for longer periods if a business wasn't permitted to operate but *should* have been, or if fraud has been detected.

THE AUDIT PROCESS

The first meeting with the taxpayer is called an *entrance conference*. Those under audit aren't required to have professional representation; it's a business decision made at the taxpayer's discretion.

Auditors use this meeting to begin understanding the taxpayer's practices — how they file their tax returns and maintain their financial records. The auditor generally will ask to be walked through the process, from source journals or ledgers all the way to the completion of a return.

The Comptroller's office is authorized to examine the taxpayer's books and records through *detail, sampling or estimation*. The types and condition of taxpayer records will determine the type of audit review used.

In the case of a company with relatively few transactions and more or less complete records, the auditor may review in detail, examining everything. For a large retail company, for instance, with millions of transactions, the auditor will examine a carefully selected sample of records. In the case of a taxpayer with missing or incomplete records, the auditor may develop estimates from sources such as bank records or by examining the records of a similarly situated business.

After an audit is completed, the auditor conducts an *exit conference* with the taxpayer, providing them with all of the items noted in the audit, including any instances of additional tax due or refundable payments made in error. The auditor attempts to answer any questions taxpayers may have and help them understand his or her findings. Taxpayers often ask our auditors how to improve their record-keeping in the future.

Finally, at the conclusion of the exit conference, the auditor sends the audit results to the division's processing center, which reviews the audit and verifies

"Every dollar we spend on our auditors returns around \$35 to \$40 to the state in additional tax liabilities identified."

— Denise Stewart, Audit Division Director



its accuracy before sending out a bill or tax credit. The taxpayer usually receives these within a month to six weeks after the exit conference.

If a taxpayer disagrees with an audit's findings, recourse is available through an independent audit review by the agency's Tax Dispute Office, and then through a formal hearings process.

VALUABLE COMMODITIES

A Comptroller auditor is an incredibly good investment for the state.

"Every dollar we spend on our auditors returns around \$35 to \$40 to the state in additional tax liabilities identified," Stewart says (**Exhibit 2**).

Unfortunately, Comptroller auditors are *also* valuable to the private-sector companies that routinely "poach" our veterans.

"The depth and variety of experience our veteran auditors acquire makes them highly desirable to private companies that can pay more than we can," Stewart says.

Turnover has been a constant problem for the division and has been very high in the past. Recent legislative funding for salaries has reduced its turnover significantly, but retaining personnel is still an ongoing struggle.

EXHIBIT 2

COMPTROLLER AUDIT ACTIVITY, FISCAL 2013 THROUGH FISCAL 2017 (PARTIAL)

| FISCAL YEAR | NUMBER OF AUDITS CONDUCTED | TAX ADJUSTMENTS IDENTIFIED | DOLLAR AMOUNT OF REFUNDS DENIED | TOTAL NUMBER OF AUDITORS | ADDITIONAL IDENTIFIED TAX ADJUSTMENTS PER AUDITOR | ADDITIONAL IDENTIFIED TAX ADJUSTMENTS PER DOLLAR SPENT ON AUDIT STAFF |
|--------------------|----------------------------|----------------------------|---------------------------------|--------------------------|---|---|
| 2013 | 15,230 | \$1,670,213,422 | \$376,546,212 | 512 | \$3,262,136 | \$38.69 |
| 2014 | 15,081 | 1,970,417,402 | 773,645,262 | 536 | 3,676,152 | 43.47 |
| 2015 | 13,494 | 1,700,748,359 | 549,868,300 | 542 | 3,137,912 | 37.64 |
| 2016 | 14,503 | 1,556,192,788 | 650,634,284 | 534 | 2,914,219 | 33.44 |
| 2017 (first half)* | 6,413 | 801,919,187 | 269,357,428 | 544 | 1,474,116 | 34.39 |

* September 2016 through February 2017.

Source: Texas Comptroller of Public Accounts

“Our people are trained to be courteous and professional in dealing with taxpayers, and the vast majority of our post-audit surveys of taxpayers indicate it’s working.”

— Bill Roach, Regional Manager, Houston Field Office

AUDITOR TRAINING

A Comptroller auditor isn’t made overnight. The division invests heavily in training, providing a basic program for newly hired auditors as well as ongoing advanced tax audit training for more experienced personnel.

“We begin training with basic exercises and then move them into relatively simple audits,” says Stewart. “It takes about two years for one of our auditors to complete enough training to handle complex audits.”

Continuous education is important, too; the Audit Division holds dozens of classes for its auditors each year.

And the training isn’t all technical. According to Bill Roach, regional manager for Audit’s Houston field team, “Many people have a built-in ‘fear factor’ about auditors coming into their business. But our people are trained to be courteous and professional in dealing with taxpayers, and the vast majority of our post-audit surveys of taxpayers indicate it’s working. And while we’re in business to protect the state’s interests, we’re equally committed to processing refunds and providing taxpayer service for future compliance.”

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BILL ROACH
REGIONAL MANAGER,
TEXAS COMPTROLLER
AUDIT DIVISION,
HOUSTON FIELD OFFICE

To compensate for lower auditor pay rates than those offered in the private sector, the Comptroller’s office touts the benefits of flexible hours and a generous holiday schedule, offering a better work-life balance.





BUSINESS ACTIVITY RESEARCH TEAM

In addition to field auditors, the Audit Division includes a Business Activity Research Team (BART) with offices in Austin, San Antonio and Waco. BART works with business information as well as data from other state agencies to identify and bring into compliance potential taxpayers — those without the appropriate permits — as well as underreporting taxpayers.

BART works with the Texas Workforce Commission and also uses IRS 1099s to identify non-permitted businesses that may be subject to sales and use taxes or other related taxes or fees, and informs such businesses of their tax responsibilities.

Similarly, BART uses boat and car registrations from the Texas Parks and Wildlife Department and Texas Department of Motor Vehicles to verify that the appropriate fees or taxes have been paid.

BART's research allowed it to identify more than \$104 million in additional tax liabilities in the first half of fiscal 2017.

Recently, the BART team worked with businesses in the homebuilding industry to educate them on required state tax compliance. A few hundred informational letters telling homebuilders of their use tax responsibilities brought in more than \$74,000 in sales and use tax. In addition, BART research has yielded 405 voluntary

The Business Activity Research Team identified more than \$104 million in additional tax liabilities in the first half of fiscal 2017.

disclosure agreements that raised more than \$33 million in previously unreported taxes and fees in exchange for waivers on statutory penalties and interest.

The work of Comptroller auditors is painstaking and time-consuming. But it's vital work that ensures the state's programs can continue — and that Texas taxpayers can have confidence in a fair system. **FN**

To see a video of Texas Comptroller Audit Division employees discussing what it means to serve Texans through the agency, visit [youtube.com/txcomptroller](https://www.youtube.com/txcomptroller) and search for Audit Division.

State Revenue Watch

This table presents data on net state revenue collections by source. It includes most recent monthly collections, year-to-date (YTD) totals for the current fiscal year and a comparison of current YTD totals with those in the equivalent period of the previous fiscal year.

These numbers were current at press time. For the most current data as well as downloadable files, visit comptroller.texas.gov/transparency.

Note: Texas' fiscal year begins on Sept. 1 and ends on Aug. 31.

NET STATE REVENUE — All Funds Excluding Trust

(AMOUNTS IN THOUSANDS)

Monthly and Year-to-Date Collections: Percent Change From Previous Year

| Tax Collections by Major Tax | APRIL 2017 | YEAR TO DATE: TOTAL | YEAR TO DATE: CHANGE FROM PREVIOUS YEAR |
|---|--------------------|---------------------|---|
| SALES TAX | \$2,438,505 | \$18,918,146 | 0.88% |
| PERCENT CHANGE FROM APRIL 2016 | 2.49% | | |
| MOTOR VEHICLE SALES AND RENTAL TAXES | 222,003 | 2,934,742 | -0.34% |
| PERCENT CHANGE FROM APRIL 2016 | -11.20% | | |
| MOTOR FUEL TAXES | 316,123 | 2,353,025 | 1.10% |
| PERCENT CHANGE FROM APRIL 2016 | 4.37% | | |
| FRANCHISE TAX | 262,304 | -69,569 | -128.95% |
| PERCENT CHANGE FROM APRIL 2016 | 19.97% | | |
| INSURANCE TAXES | -40,858 | 1,395,254 | 5.58% |
| PERCENT CHANGE FROM APRIL 2016 | 207.34% | | |
| NATURAL GAS PRODUCTION TAX | 93,788 | 666,263 | 61.04% |
| PERCENT CHANGE FROM APRIL 2016 | 401.06% | | |
| CIGARETTE AND TOBACCO TAXES | 100,946 | 922,514 | 3.40% |
| PERCENT CHANGE FROM APRIL 2016 | -17.02% | | |
| ALCOHOLIC BEVERAGES TAXES | 111,108 | 798,910 | 5.58% |
| PERCENT CHANGE FROM APRIL 2016 | 28.54% | | |
| OIL PRODUCTION AND REGULATION TAXES | 191,343 | 1,363,813 | 23.68% |
| PERCENT CHANGE FROM APRIL 2016 | 49.12% | | |
| UTILITY TAXES¹ | 28,883 | 235,015 | -0.88% |
| PERCENT CHANGE FROM APRIL 2016 | 3.30% | | |
| HOTEL OCCUPANCY TAX | 55,683 | 339,170 | -2.21% |
| PERCENT CHANGE FROM APRIL 2016 | 8.68% | | |
| OTHER TAXES² | 16,461 | 89,047 | -4.21% |
| PERCENT CHANGE FROM APRIL 2016 | 28.51% | | |
| TOTAL TAX COLLECTIONS | \$3,796,289 | \$29,946,331 | 1.81% |
| PERCENT CHANGE FROM APRIL 2016 | 5.90% | | |
| Revenue By Source | MARCH 2017 | YEAR TO DATE: TOTAL | YEAR TO DATE: CHANGE FROM PREVIOUS YEAR |
| TOTAL TAX COLLECTIONS | \$3,796,289 | \$29,946,331 | 1.81% |
| PERCENT CHANGE FROM APRIL 2016 | 5.90% | | |
| FEDERAL INCOME | 2,532,344 | 25,830,861 | -4.54% |
| PERCENT CHANGE FROM APRIL 2016 | -27.80% | | |
| LICENSES, FEES, FINES AND PENALTIES | 457,581 | 7,275,960 | -11.62% |
| PERCENT CHANGE FROM APRIL 2016 | -53.15% | | |
| INTEREST AND INVESTMENT INCOME | 266,685 | 691,006 | 20.00% |
| PERCENT CHANGE FROM APRIL 2016 | 10.72% | | |
| NET LOTTERY PROCEEDS³ | 152,701 | 1,280,672 | -15.12% |
| PERCENT CHANGE FROM APRIL 2016 | 0.59% | | |
| SALES OF GOODS AND SERVICES | 23,683 | 201,227 | 1.81% |
| PERCENT CHANGE FROM APRIL 2016 | 20.46% | | |
| SETTLEMENTS OF CLAIMS | 30,595 | 104,926 | -81.86% |
| PERCENT CHANGE FROM APRIL 2016 | 3.95% | | |
| LAND INCOME | 111,808 | 1,106,703 | 65.02% |
| PERCENT CHANGE FROM APRIL 2016 | 51.07% | | |
| CONTRIBUTIONS TO EMPLOYEE BENEFITS | 4 | 42 | 15.96% |
| PERCENT CHANGE FROM APRIL 2016 | -23.77% | | |
| OTHER REVENUE | 1,175,660 | 3,851,068 | 10.74% |
| PERCENT CHANGE FROM APRIL 2016 | 42.42% | | |
| TOTAL NET REVENUE | \$8,547,351 | \$70,288,795 | -1.99% |
| PERCENT CHANGE FROM APRIL 2016 | -9.17% | | |

¹ Includes public utility gross receipts assessment, gas, electric and water utility taxes and gas utility pipeline tax.

² Includes the cement and sulphur taxes and other occupation and gross receipts taxes not separately identified.

³ Gross sales less retailer commissions and the smaller prizes paid by retailers.

Note: Totals may not add due to rounding.



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