



## FISCAL NOTE

### House Bill 386

Committee: Finance and Taxation Education      Sponsor: Representative Danny Garrett

Analyst: Riley Aaron      Date: 04/30/2025

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**House Bill 386** as reported by the Committee on Finance and Taxation Education would decrease sales and use tax receipts to the following funds by the following estimated annual amounts, beginning in fiscal year 2026, by reducing the state sales and use tax rate on food from 3%, as set by current law, to 2% on September 1, 2025.

Fund	Estimated Annual Loss
Education Trust Fund	\$121.6 million
State General Fund	\$281,750
<b>Total</b>	<b>\$121.9 million</b>

This bill could also decrease sales and use tax receipts to local governments by an undetermined amount, beginning in fiscal year 2026, dependent on any county and municipal governing bodies that reduces its sales and use tax rate on food, regardless of any growth in the respective general fund of the local government, as provided by this bill, that otherwise could not reduce its sales and use tax rate on food under current law.