A Guide to Understanding **How You Pay for Government**

The annual Texas state budget is a little over \$216 billion!

ARTICLE I General Government 2.8%

ARTICLE II Health and **Human Services** 36.4%

Since that is a lot to keep track of, the budget is generally divided into 10 "articles" or chapters. This allows advocates, elected officials, and the public to understand where the various sources of funding are utilized within the broad categories.

ARTICLE III Agencies of Education

37.4%

ARTICLE V ARTICLE VII Public Safety / Business / Econ Criminal Justice Development VIII, IX, X *

ARTICLES IV, VI,

5.7%

14.7%

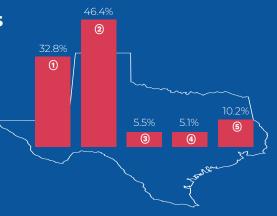
2.9%

TOTAL: \$216,450,355,863

* The Judiciary, Natural Resources, Regulatory, General Provisions, The Legislature

Funding Sources

Texas does not have a state income tax, which means that our government is funded exclusively from other sources.



10 Total In-State Tax Collections

The largest of these sources is the state sales tax, followed by other specific sources like the corporate tax known as the franchise tax. In 2019, oil and natural gas accounted for 9.3% of in-state tax collections

2 Federal Income

To administer federal programs such as Medicaid or food stamps

- **3 State Health Service Fees**
- **4 Licenses, Fines, Fees**
- **5** Other

Includes interest, land income, escheated estates, claim settlements

How a budget is passed

PROPOSED BY HOUSE

In between legislative sessions, the governor and the Legislative Budget Board manage the state budget, including collecting and consolidating the proposed budget for review by the legislature. This turns into HB1.

JOINT COMMITTEE

Presiding officers of the House and Senate each appoint five members from their respective chambers to serve on a joint committee to address the differences in spending.

REVIEW AND APPROVAL

The budget passed by the **House and Senate is sent** to the Comptroller and Governor for review and approval. The budget goes into effect with the Comptroller's certification.

