



# SPORTING GOODS SALES TAX ALLOCATION

AN ISSUE BRIEF FROM LEGISLATIVE BUDGET BOARD STAFF

LEGISLATIVE BUDGET BOARD ID: 9373

JUNE 2026

Sporting Goods Sales Tax (SGST) is the estimated portion of state sales tax revenue collected from the sale of sporting goods. It is not a separate tax. The revenue estimate made by the Comptroller of Public Accounts (CPA) is based on actual remittances from sporting goods stores and other retailers that sell sporting goods equipment. The CPA’s 2026–27 biennial estimate of SGST revenue totals \$559.9 million, an increase of 3.9 percent from \$538.7 million expended during the 2024–25 biennium, due to anticipated increases in sporting goods sales.

Historically, the Legislature appropriated SGST revenue at its discretion to the Texas Parks and Wildlife Department (TPWD) and the Texas Historical Commission (THC). Since fiscal year 2022, 100.0 percent of SGST revenue received each fiscal year is appropriated as required by the Constitution with a maximum allocation of 93.0 percent to TPWD and 7.0 percent to THC established in state law by the 86th Legislature, 2019, following voter approval of a constitutional amendment. These funds are used to acquire, operate, maintain, and make capital improvements to state parks, provide local park grants, capital project improvements and repairs, administration and operations, and employee benefits and debt service.

The 89th Legislature, General Appropriations Act, 2026–27 Biennium, includes an appropriation of \$38.4 million to THC and \$444.3 million to TPWD from SGST revenue, excluding benefits

and debt service, for a total of \$482.6 million. Appropriations for employee benefits and debt service payments total \$65.3 million for the biennium. In October 2025, the CPA revised its 2025 biennial estimate and notified these agencies that an additional \$12.0 million in SGST revenue would be appropriated as required by the Constitution, which increased total SGST appropriations to \$559.9 million, including benefits, for the 2026–27 biennium.

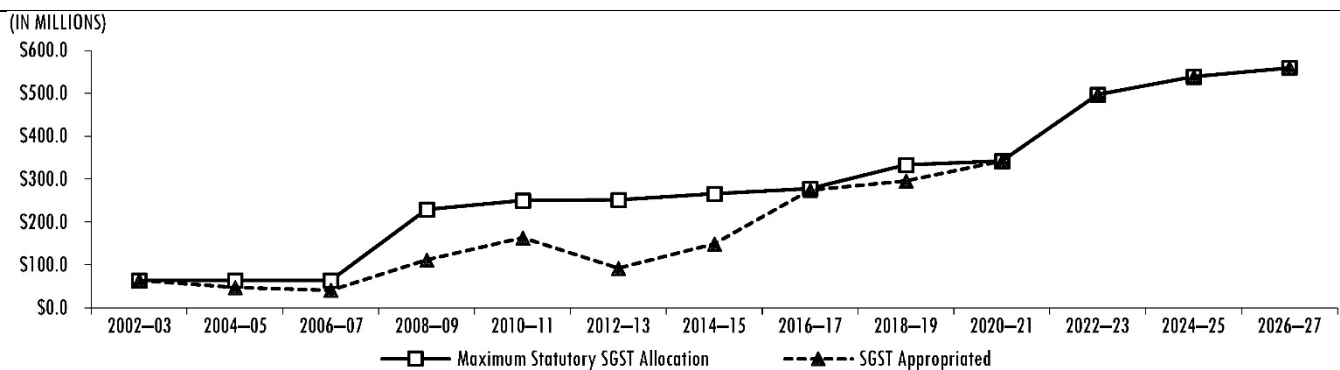
Figure 1 shows the maximum statutory allocation compared to actual SGST appropriations for both agencies since the 2002–03 biennium.

### LEGISLATIVE HISTORY

State and local parks and historic sites are not self-supporting. Before fiscal year 1994, each state and local park account was appropriated \$0.50 per 1,000 cigarettes sold. The 73rd Legislature, 1993, replaced the cigarette tax with a biennial statutory allocation of SGST receipts to TPWD accounts for state parks, local park grants, and capital projects beginning in fiscal year 1996. This allocation was capped at \$64.0 million per biennium.

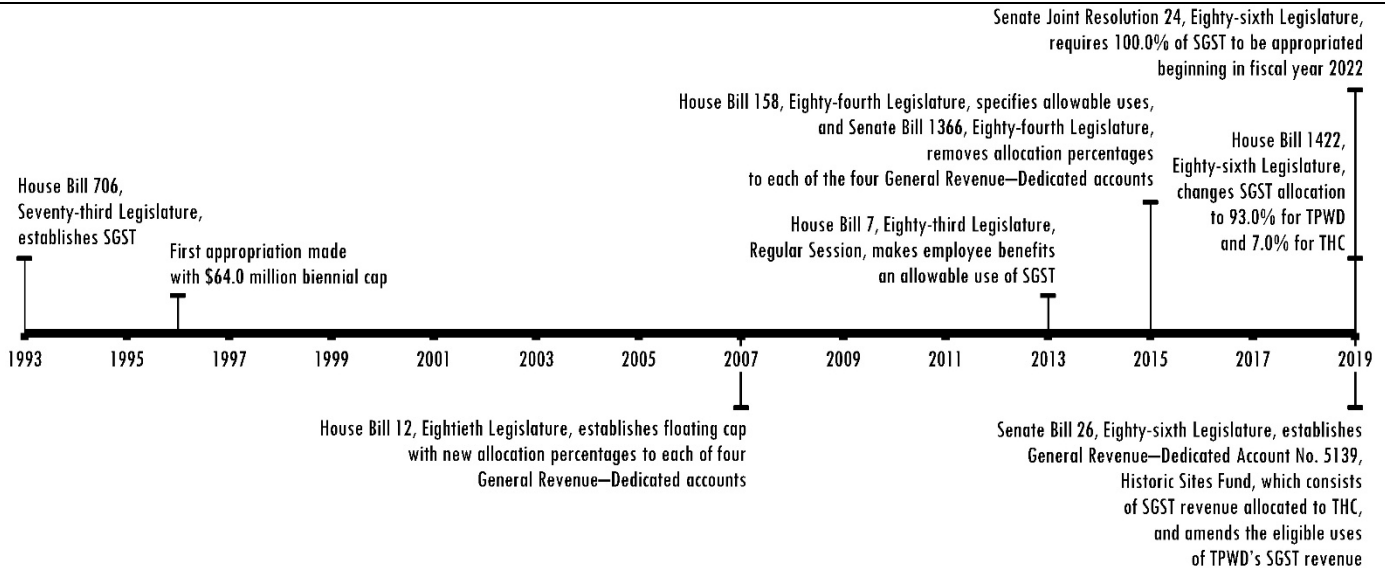
The 80th Legislature, 2007, replaced the maximum allocation with a percentage-based allocation to the following four General Revenue–Dedicated accounts based on CPA’s SGST revenue estimates: Account No. 64, State Parks; Account No. 467, Texas Recreation and Parks; Account No. 5150, Large County and Municipality Recreation and Parks Fund; and Account No. 5004,

**FIGURE 1**  
**TOTAL SPORTING GOODS SALES TAX (SGST) BIENNIAL APPROPRIATIONS AND MAXIMUM STATUTORY ALLOCATION COMPARISON**  
**2002–03 TO 2026–27 BIENNIA**



SOURCES: Legislative Budget Board; Comptroller of Public Accounts.

**FIGURE 2**  
**SPORTING GOODS SALES TAX (SGST) LEGISLATIVE MILESTONES, 1993 TO 2019**



SOURCE: Legislative Budget Board.

Texas Parks and Wildlife Conservation and Capital. The Legislature also set the maximum statutory allocations at 94.0 percent to TPWD and 6.0 percent to THC and authorized THC to receive SGST.

The 83rd Legislature, 2013, authorized additional transfers of SGST revenue to affected TPWD accounts to fund employee payroll-related benefit costs.

The 84th Legislature, 2015, specified allowable uses of SGST revenue to include acquiring, operating, maintaining, or making capital improvements to parks; providing grants to local governments and other entities; and paying state contributions for employee benefits. It also removed the percentage allocation of SGST transfers to TPWD’s four General Revenue–Dedicated accounts and provided the Legislature discretion to allocate SGST revenues to those accounts through the appropriations process.

The 86th Legislature, 2019, further revised the SGST revenue allocation process through the following actions: (1) it proposed an amendment to the Texas Constitution that was approved by voters to require that all SGST revenue is appropriated upon receipt in the allocation required by state law; (2) it changed the maximum SGST-related allocations to TPWD and THC from 94.0 percent and 6.0 percent, respectively, to 93.0 percent and 7.0 percent; (3) it established General Revenue–Dedicated Account No. 5139, Historic Sites Fund, which consists of SGST revenue allocated to THC; and (4) it expanded the allowable uses of TPWD’s SGST allocations to include (a) purposes authorized pursuant to the Texas Parks and Wildlife Code, Chapter 24, (b) park-related bond

debt service payments, and (c) additional benefit-related costs.

**Figure 2** shows legislative milestones related to SGST.

#### STATUTORY REFERENCES

The Texas Tax Code, Section 151.801;  
the Texas Government Code, Chapter 442; and  
the Texas Parks and Wildlife Code, Chapters 11 and 24

#### USEFUL REFERENCES

Legislative Budget Board, *Fiscal Size-Up, 2026–27 Biennium*:  
[www.lbb.texas.gov/Documents/Publications/Fiscal\\_SizeUp/Fiscal\\_SizeUp.pdf](http://www.lbb.texas.gov/Documents/Publications/Fiscal_SizeUp/Fiscal_SizeUp.pdf)

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