

BILL ANALYSIS

Senate Research Center

H.B. 939
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Finance
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Engrossed

DIGEST AND PURPOSE

In recent years, several film and television projects have been made in Texas because of the state's diverse natural and urban landscapes as well as its relatively moderate climate. However, there is strong competition between Texas and the other 49 states to attract filmmakers. Tax incentives may be an effective way to bring the filmmakers to this state. Currently, filmmakers may claim tax exemptions on several items, but motor vehicles are not included on this list. Furthermore, movie productions may only claim exemption from state occupancy taxes levied on hotel and motel stays of 30 consecutive days or longer. H.B. 939 provides a sales tax exemption on motor vehicles purchased, used, or leased by filmmakers and a refund of the hotel occupancy tax for film crews that stay 15 consecutive days or more.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 152E, Tax Code, by adding Section 152.094, as follows:

Sec. 152.094. MOTOR VEHICLES USED IN TELEVISION, MOTION PICTURE, VIDEO, OR AUDIO PRODUCTIONS. (a) Provides that the taxes imposed by this chapter do not apply to the purchase, rental, or use of a motor vehicle used exclusively in connection with the production for consideration of a television film, commercial, or program, a motion picture, or a video or audio recording, a copy of which is sold or offered for ultimate sale, licensed, distributed, broadcast, or otherwise commercially exhibited.

(b) Requires the tax that would have been remitted on gross rental receipts without the exemption provided by this section to be deemed to have been remitted for the purpose of computing the minimum gross rental receipts tax imposed by Section 152.026.

SECTION 2. Amends Chapter 156C, Tax Code, by adding Section 156.104, as follows:

Sec. 156.104. EXCEPTION--PERSONS INVOLVED IN TELEVISION, MOTION PICTURE, VIDEO, OR AUDIO PRODUCTIONS. (a) Provides that, subject to this section, this chapter does not impose a tax on a person involved in the production for consideration of a television film, commercial, or program, a motion picture, or a video or audio recording, a copy of which is sold or offered for ultimate sale, licensed, distributed, broadcast, or otherwise commercially exhibited, provided that the person has the right to use or possess a room in one hotel or in a series of two or more hotels for at least 15 consecutive days.

(b) Requires a person otherwise excepted under this section to pay the tax imposed by this chapter and be entitled to a refund of the amount of tax paid in accordance with Section 156.154.

SECTION 3. Amends Section 156.154(a), Tax Code, to require a governmental entity entitled under Section 156.103 or a person entitled under Section 156.104 to a refund of taxes paid under this chapter to file a refund claim with the comptroller.

SECTION 4. (a) Effective date: July 1, 2001 or October 1, 2001.

(b) Makes application of this Act prospective.