

BILL ANALYSIS

Senate Research Center
84R21568 BEF-D

C.S.S.B. 1030
By: Seliger
Finance
5/6/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, digital transmission equipment used by television stations is exempt from sales tax. Similar equipment used by radio stations was also exempt from sales tax until 2010, when the comptroller of public accounts of the State of Texas issued a ruling that the statute did not apply to radio equipment. At that time, many radio groups in urban areas had already purchased this equipment and taken advantage of the sales tax exemption, but many rural and smaller radio stations had not.

C.S.S.B. 1030 clarifies that digital transmission equipment purchased for use by radio stations is exempt from sales tax.

C.S.S.B. 1030 amends current law relating to a sales and use tax exemption for certain equipment used for digital audio broadcasting.

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 Section 151.3185, Tax Code, by adding Subsection (g), as follows:

(g) Provides that tangible personal property that is sold to an entity to which 47 C.F.R. Section 73.404(a) applies is exempt from the taxes imposed by this chapter if the property is necessary to provide the broadcast service described by 47 C.F.R. Section 73.403 or 73.404.

SECTION 2. Provides that the change in law made by this Act does not affect tax liability accruing before the effective date of this Act. Provides that that liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection and enforcement of those taxes.

SECTION 3. Effective date: September 1, 2015.