

## Applying sales and use tax exemption to certain Broadway shows

HB 2475 by S. Davis (Bettencourt)

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DIGEST:	HB 2475 explicitly would have specified that touring Broadway performances were exempt from sales taxes if they were provided under a contract with certain terms to certain entities, including churches, schools, or charitable organizations, that currently are exempt from sales taxes when providing amusement services.
GOVERNOR'S REASON FOR VETO:	"House Bill 2475 would have provided a special sales tax loophole for tickets to Broadway shows. As required by the constitution and by basic fairness, Broadway shows should be treated just like any other comparable event for tax purposes."
RESPONSE:	<p><b>Rep. Sarah Davis</b>, the bill's author, said: "HB 2475 would have allowed the comptroller to fairly target the administrative rules related to the amusement services tax exemption, while also protecting and encouraging the treasured pastime of attending Broadway productions. This exemption has been in statute since 1984, and currently the revenue for tickets sold to these productions are exempt from sales tax. Last year, the comptroller signified interest in amending this tax exemption and the related rules. This exemption has allowed nonprofits, such as the Hobby Center in Houston, to bring Broadway productions to our state, which has generated substantial revenue that provides a reinvestment in arts programming and educational outreach within communities. I worked directly with the comptroller's office on the language of the bill due to the importance of the exemption to my community and to the Houston arts community as a whole. I am disappointed that this will no longer be available to the Hobby Center, which has provided cherished memories to countless Broadway lovers across the city of Houston and the state of Texas."</p> <p><b>Sen. Paul Bettencourt</b>, the Senate sponsor, had no comment on the veto.</p>
NOTES:	HB 2475 passed on the Local, Consent, and Resolutions Calendar and was not analyzed in a <i>Daily Floor Report</i> .