

By: Perry

S.B. No. 1614

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the computation of the cost of goods sold by television
3 and radio broadcasters for purposes of the franchise tax.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 171.1012(o), Tax Code, is amended to
6 read as follows:

7 (o) If a taxable entity, including a taxable entity with
8 respect to which cost of goods sold is determined pursuant to
9 Section 171.1014(e)(1), whose principal business activity is film
10 or television production, television or radio broadcasting, or the
11 distribution of tangible personal property described by Subsection
12 (a)(3)(A)(ii), or any combination of these activities, elects to
13 subtract cost of goods sold, the cost of goods sold for the taxable
14 entity shall be the costs described in this section in relation to
15 the property and include depreciation, amortization, and other
16 expenses directly related to the acquisition, production, or use of
17 the property, including expenses for the right to broadcast or use
18 the property.

19 SECTION 2. The amendment made by this Act is a clarification
20 of existing law and does not imply that existing law may be
21 construed as inconsistent with the law as amended by this Act.

22 SECTION 3. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this

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1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2023.