

BILL ANALYSIS

C.S.H.B. 30
By: Hodge
Ways & Means
Committee Report (Substituted)

BACKGROUND 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. C.S.H.B. 30 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

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 30 provides that the motor vehicle tax does 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. Provides that the tax that would have been remitted on gross rental receipts without the exemption to be considered to have been remitted for the purpose of computing the minimum gross rental receipts tax.

Provides that the hotel occupancy tax is not imposed on a person involved exclusively 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. Requires a person otherwise excepted to pay the tax and be entitled to a refund of the amount of tax paid. Provides that a person entitled to a refund of taxes must file a refund claim with the comptroller.

EFFECTIVE DATE

July 1, 2003, or, if the Act does not receive the necessary vote, the Act takes effect October 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute specifies that the taxes imposed on the vehicle used or the person involved be exclusively used or involved in the production.