

By: Paxton

H.B. No. 468

A BILL TO BE ENTITLED

1 AN ACT

2 relating to an exemption from the sales tax for certain
3 telecommunications equipment.

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

5 SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended
6 by adding Section 151.3186 to read as follows:

7 Sec. 151.3186. PROPERTY USED IN TELECOMMUNICATIONS. (a)

8 In this section, "telecommunications equipment" means machinery,
9 equipment, and software used to send, receive, or store voice or
10 data communications, and equipment used to enable, facilitate,
11 maintain, or monitor that machinery, equipment, or software. The
12 term includes:

13 (1) antennas, amplifiers, poles, wires, cables,
14 rectifiers, duplexers, multiplexers, receivers, repeaters,
15 transmitters, power equipment, modems, routers, and storage
16 devices; and

17 (2) general central office switching equipment,
18 including channel cards, frames, and cabinets.

19 (b) Telecommunications equipment is exempted from the taxes
20 imposed by this chapter if the equipment is sold, leased, or rented
21 to a provider of telecommunications services or used by a provider
22 of telecommunications services.

23 SECTION 2. The change in law made by this Act does not
24 affect tax liability accruing before the effective date of this

1 Act. That liability continues in effect as if this Act had not been
2 enacted, and the former law is continued in effect for the
3 collection of taxes due and for civil and criminal enforcement of
4 the liability for those taxes.

5 SECTION 3. This Act takes effect July 1, 2009, if it
6 receives a vote of two-thirds of all the members elected to each
7 house, as provided by Section 39, Article III, Texas Constitution.
8 If this Act does not receive the vote necessary for effect on that
9 date, this Act takes effect October 1, 2009.