

By: Oliveira

H.B. No. 3893

A BILL TO BE ENTITLED

AN ACT

relating to the rate of the state sales tax on direct broadcast
satellite service.

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

SECTION 1. Section 151.0033 is amended to read as follows:

Sec. 151.0033. "CABLE TELEVISION SERVICE". "Cable
television service" means the distribution of video programming
with or without use of wires to subscribing or paying customers,
except that the term does not include direct broadcast satellite
service.

SECTION 2. Subchapter A, Chapter 151, Tax Code, is amended
by adding Section 151.0037 to read as follows:

Sec. 151.0037. "DIRECT BROADCAST SATELLITE SERVICE".
"Direct broadcast satellite service" means the distribution or
broadcasting of video programming or services by satellite directly
to a subscriber's or paying customer's receiving equipment. The
term includes:

(1) the rental of receiving equipment used by the
subscriber or paying customer to obtain the service;

(2) the provision of premium channels; and

(3) the installation or repair of receiving equipment
used by the subscriber or paying customer to obtain the service.

SECTION 3. Section 151.0101(a), Tax Code, is amended to
read as follows:

- 1 (a) "Taxable services" means:
- 2 (1) amusement services;
- 3 (2) cable television services;
- 4 (3) personal services;
- 5 (4) motor vehicle parking and storage services;
- 6 (5) the repair, remodeling, maintenance, and
- 7 restoration of tangible personal property, except:
- 8 (A) aircraft;
- 9 (B) a ship, boat, or other vessel, other than:
- 10 (i) a taxable boat or motor as defined by
- 11 Section 160.001;
- 12 (ii) a sports fishing boat; or
- 13 (iii) any other vessel used for pleasure;
- 14 (C) the repair, maintenance, and restoration of a
- 15 motor vehicle; and
- 16 (D) the repair, maintenance, creation, and
- 17 restoration of a computer program, including its development and
- 18 modification, not sold by the person performing the repair,
- 19 maintenance, creation, or restoration service;
- 20 (6) telecommunications services;
- 21 (7) credit reporting services;
- 22 (8) debt collection services;
- 23 (9) insurance services;
- 24 (10) information services;
- 25 (11) real property services;
- 26 (12) data processing services;
- 27 (13) real property repair and remodeling;

- 1 (14) security services;
2 (15) telephone answering services;
3 (16) Internet access service;
4 (17) direct broadcast satellite service; and
5 (18) [~~17~~] a sale by a transmission and distribution
6 utility, as defined in Section 31.002, Utilities Code, of
7 transmission or delivery of service directly to an electricity
8 end-use customer whose consumption of electricity is subject to
9 taxation under this chapter.

10 SECTION 4. Section 151.051, Tax Code is amended by adding
11 Subsection (c) to read as follows:

12 (c) An additional tax is imposed on the sale of direct
13 broadcast satellite service in an incorporated area. The sales tax
14 rate for the additional tax is 7 percent of the sales price of the
15 direct broadcast satellite service provided in an incorporated
16 area.

17 SECTION 5. This Act takes effect October 1, 2009, and
18 applies to the sale of direct broadcast satellite services, as
19 defined by this Act, on or after that date. The sale of direct
20 broadcast satellite services, as defined by this Act, before the
21 effective date of this Act is governed by the law in effect at the
22 time of the transaction, and that law is continued in effect for the
23 enforcement and collection of those taxes.