

By: Otto

H.B. No. 1133

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a sales and use tax exemption for tangible personal
3 property used to provide cable television service, Internet access
4 service, or telecommunications services and to the exclusion of
5 that property in certain economic development agreements.

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

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

9 Sec. 151.3186. PROPERTY USED IN CABLE TELEVISION, INTERNET
10 ACCESS, OR TELECOMMUNICATIONS SERVICES. (a) In this section,
11 "provider" means a provider of cable television service, Internet
12 access service, or telecommunications services.

13 (b) The sale, lease, or rental or storage, use, or other
14 consumption of tangible personal property is exempted from the
15 taxes imposed by this chapter if:

16 (1) the property is sold, leased, or rented to or
17 stored, used, or consumed by a provider, or a subsidiary,
18 affiliate, or partner of a provider; and

19 (2) the property is directly used or consumed in or
20 during the provision, creation, or production of cable television
21 service, Internet access service, or telecommunications services
22 by the provider, subsidiary, affiliate, or partner described by
23 Subdivision (1).

24 SECTION 2. Section 313.021(2), Tax Code, is amended to read

1 as follows:

2 (2) "Qualified property" means:

3 (A) land:

4 (i) that is located in an area designated as
5 a reinvestment zone under Chapter 311 or 312 or as an enterprise
6 zone under Chapter 2303, Government Code;

7 (ii) on which a person proposes to
8 construct a new building or erect or affix a new improvement that
9 does not exist before the date the person applies for a limitation
10 on appraised value under this subchapter;

11 (iii) that is not subject to a tax abatement
12 agreement entered into by a school district under Chapter 312; and

13 (iv) on which, in connection with the new
14 building or new improvement described by Subparagraph (ii), the
15 owner or lessee of, or the holder of another possessory interest in,
16 the land proposes to:

17 (a) make a qualified investment in an
18 amount equal to at least the minimum amount required by Section
19 313.023; and

20 (b) create at least 25 new jobs;

21 (B) the new building or other new improvement
22 described by Paragraph (A)(ii); and

23 (C) tangible personal property ~~that~~:

24 (i) that is not subject to a tax abatement
25 agreement entered into by a school district under Chapter 312;
26 [~~and~~]

27 (ii) for which a sales and use tax exemption

1 is not claimed under Section 151.3186; and

2 (iii) except for new equipment described in
3 Section 151.318(q) or (q-1), that is first placed in service in the
4 new building or in or on the new improvement described by Paragraph
5 (A)(ii), or on the land on which that new building or new
6 improvement is located, if the personal property is ancillary and
7 necessary to the business conducted in that new building or in or on
8 that new improvement.

9 SECTION 3. The change in law made by this Act does not
10 affect tax liability accruing before the effective date of this
11 Act. That liability continues in effect as if this Act had not been
12 enacted, and the former law is continued in effect for the
13 collection of taxes due and for civil and criminal enforcement of
14 the liability for those taxes.

15 SECTION 4. This Act takes effect September 1, 2013.