

1-1 By: Otto, et al. (Senate Sponsor - Estes) H.B. No. 1133
 1-2 (In the Senate - Received from the House May 8, 2013;
 1-3 May 9, 2013, read first time and referred to Committee on Finance;
 1-4 May 17, 2013, reported favorably by the following vote: Yeas 14,
 1-5 Nays 0; May 17, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Williams	X		
1-9	Hinojosa	X		
1-10	Deuell	X		
1-11	Duncan	X		
1-12	Eltife	X		
1-13	Estes	X		
1-14	Hegar	X		
1-15	Huffman	X		
1-16	Lucio	X		
1-17	Nelson	X		
1-18	Patrick	X		
1-19	Seliger		X	
1-20	West	X		
1-21	Whitmire	X		
1-22	Zaffirini	X		

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to a sales and use tax refund for tangible personal
 1-26 property used to provide cable television service, Internet access
 1-27 service, or telecommunications services and to the exclusion of
 1-28 that property in certain economic development agreements.
 1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-30 SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended
 1-31 by adding Section 151.3186 to read as follows:
 1-32 Sec. 151.3186. PROPERTY USED IN CABLE TELEVISION, INTERNET
 1-33 ACCESS, OR TELECOMMUNICATIONS SERVICES. (a) In this section,
 1-34 "provider" means a provider of cable television service, Internet
 1-35 access service, or telecommunications services.
 1-36 (b) A provider is entitled to a refund of the tax imposed by
 1-37 this chapter on the sale, lease, or rental or storage, use, or other
 1-38 consumption of tangible personal property if:
 1-39 (1) the property is sold, leased, or rented to or
 1-40 stored, used, or consumed by a provider or a subsidiary of a
 1-41 provider; and
 1-42 (2) the property is directly used or consumed by the
 1-43 provider or subsidiary described by Subdivision (1) in or during:
 1-44 (A) the distribution of cable television
 1-45 service;
 1-46 (B) the provision of Internet access service; or
 1-47 (C) the transmission, conveyance, routing, or
 1-48 reception of telecommunications services.
 1-49 (c) Notwithstanding Subsection (b), property directly used
 1-50 or consumed in or during the provision, creation, or production of a
 1-51 data processing service or information service is not eligible for
 1-52 a refund under this section.
 1-53 (d) The amount of the refund to which a provider or
 1-54 subsidiary, as described by Subsection (b)(1), is entitled under
 1-55 this section for a calendar year is equal to:
 1-56 (1) the amount of the tax paid by the provider or
 1-57 subsidiary during the calendar year on property eligible for a
 1-58 refund under this section, if the total amount of tax paid by all
 1-59 providers and subsidiaries described by Subsection (b)(1) that are
 1-60 eligible for a refund under this section is not more than \$50
 1-61 million for the calendar year; or

2-1 (2) a pro rata share of \$50 million, if the total
2-2 amount of tax paid by all providers and subsidiaries described by
2-3 Subsection (b)(1) that are eligible for a refund under this section
2-4 is more than \$50 million for the calendar year.

2-5 (e) The refund provided by this section does not apply to
2-6 the taxes imposed under Subtitle C, Title 3.

2-7 SECTION 2. Section 313.021(2), Tax Code, is amended to read
2-8 as follows:

2-9 (2) "Qualified property" means:

2-10 (A) land:

2-11 (i) that is located in an area designated as
2-12 a reinvestment zone under Chapter 311 or 312 or as an enterprise
2-13 zone under Chapter 2303, Government Code;

2-14 (ii) on which a person proposes to
2-15 construct a new building or erect or affix a new improvement that
2-16 does not exist before the date the person applies for a limitation
2-17 on appraised value under this subchapter;

2-18 (iii) that is not subject to a tax abatement
2-19 agreement entered into by a school district under Chapter 312; and

2-20 (iv) on which, in connection with the new
2-21 building or new improvement described by Subparagraph (ii), the
2-22 owner or lessee of, or the holder of another possessory interest in,
2-23 the land proposes to:

2-24 (a) make a qualified investment in an
2-25 amount equal to at least the minimum amount required by Section
2-26 313.023; and

2-27 (b) create at least 25 new jobs;

2-28 (B) the new building or other new improvement
2-29 described by Paragraph (A)(ii); and

2-30 (C) tangible personal property ~~that~~:

2-31 (i) that is not subject to a tax abatement
2-32 agreement entered into by a school district under Chapter 312;
2-33 ~~and~~

2-34 (ii) for which a sales and use tax refund is
2-35 not claimed under Section 151.3186; and

2-36 (iii) except for new equipment described in
2-37 Section 151.318(q) or (q-1), that is first placed in service in the
2-38 new building or in or on the new improvement described by Paragraph
2-39 (A)(ii), or on the land on which that new building or new
2-40 improvement is located, if the personal property is ancillary and
2-41 necessary to the business conducted in that new building or in or on
2-42 that new improvement.

2-43 SECTION 3. The change in law made by this Act does not
2-44 affect tax liability accruing before the effective date of this
2-45 Act. That liability continues in effect as if this Act had not been
2-46 enacted, and the former law is continued in effect for the
2-47 collection of taxes due and for civil and criminal enforcement of
2-48 the liability for those taxes.

2-49 SECTION 4. This Act takes effect September 1, 2013.

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