

By: Hilderbran

H.B. No. 3388

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the computation of costs of goods sold for purposes of
3 the franchise tax by certain taxable entities engaged in film or
4 television exhibition.

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

6 SECTION 1. Section 171.1012(o), Tax Code, is amended to
7 read as follows:

8 (o) If a taxable entity, including a taxable entity with
9 respect to which cost of goods sold is determined pursuant to
10 Section 171.1014(e)(1), whose principal business activity is film
11 or television production, exhibition, or broadcasting or the
12 distribution of tangible personal property described by Subsection
13 (a)(3)(A)(ii), or any combination of these activities, elects to
14 subtract cost of goods sold, the cost of goods sold for the taxable
15 entity shall be the costs described in this section in relation to
16 the property and include depreciation, amortization, and other
17 expenses directly related to the acquisition, production,
18 exhibition, or use of the property, including expenses for the
19 right to broadcast, exhibit, or use the property.

20 SECTION 2. This Act is a clarification of existing law and
21 does not imply that existing law may be construed as inconsistent
22 with the law as amended by this Act.

23 SECTION 3. This Act takes effect September 1, 2013.