

By: Estes

S.B. No. 1330

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 of a
18 provider; and

19 (2) the property is directly used or consumed by the
20 provider or subsidiary described by Subdivision (1) in or during:

21 (A) the distribution of cable television
22 service;

23 (B) the provision of Internet access service; or

24 (C) the transmission, conveyance, routing or

1 reception of telecommunications services.

2 (c) The sale, lease, or rental or storage, use, or other
3 consumption of tangible personal property is not exempted from the
4 taxes imposed by this chapter if the property is directly used or
5 consumed in or during the provision, creation, or production of
6 data processing or information services as defined in this chapter.

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

9 (2) "Qualified property" means:

10 (A) land:

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

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

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

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

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

27 (b) create at least 25 new jobs;

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

3 (C) tangible personal property [~~that~~]:

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

7 (ii) for which a sales and use tax exemption
8 is not claimed under Section 151.3186; and

9 (iii) except for new equipment described in
10 Section 151.318(q) or (q-1), that is first placed in service in the
11 new building or in or on the new improvement described by Paragraph
12 (A)(ii), or on the land on which that new building or new
13 improvement is located, if the personal property is ancillary and
14 necessary to the business conducted in that new building or in or on
15 that new improvement.

16 SECTION 3. The change in law made by this Act does not
17 affect tax liability accruing before the effective date of this
18 Act. That liability continues in effect as if this Act had not been
19 enacted, and the former law is continued in effect for the
20 collection of taxes due and for civil and criminal enforcement of
21 the liability for those taxes.

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