

## **BILL ANALYSIS**

H.B. 3304  
By: Darby  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

According to interested parties, the Department of Information Resources manages the data center services program that utilizes the state's purchasing power to lower costs for state agencies purchasing hardware or software. The comptroller of public accounts has determined that purchases made through the program are subject to sales and use taxes, raising the cost of agency purchases that would otherwise not be subject to the tax if purchased directly by the agency. H.B. 3304 seeks to address this issue.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 3304 amends the Tax Code to exempt tangible personal property sold to or used by a state data center services provider from sales and use taxes if the tangible personal property is sold to or used by the state data center services provider on behalf of a state agency and used by the state agency or by the state data center services provider to provide services to the state agency under the data center services program. The bill defines "data center services program" as the program operated by the Department of Information Resources (DIR) to provide fully managed service, mainframe, and bulk print and mail services and defines "state data center services provider" as a person with which DIR contracts to provide hardware, software, tools, or technical staff to state agencies for state agency use under the data center services program.

### **EFFECTIVE DATE**

September 1, 2015.