

BILL ANALYSIS

Senate Research Center
84R30065 ADM-F

C.S.S.B. 1009
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Finance
5/14/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 1133, 83rd Legislature, Regular Session, 2013, implemented a sales and use tax refund program for tangible personal property used to distribute or provide cable television service, Internet access service, or telecommunications services. Refunds totaling \$50 million are issued on a pro rata basis. Interested parties contend that the \$50 million refunded represents \$800 million in deployed communications investment that may very well have not been deployed because they go beyond budgeted infrastructure investment. C.S.S.B. 1009 would build on this successful program by increasing the maximum amount of available refunds from \$50 million per year to \$75 million.

C.S.S.B. 1009 amends current law relating to the amount of a sales and use tax refund for tangible personal property used to provide cable television service, Internet access service, or telecommunications services.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 151.3186(d), Tax Code, as follows:

(d) Provides that the amount of the refund to which a provider or subsidiary, as described by Subsection (b)(1) (relating to a refund for tangible personal property sold, leased, or rented to or stored, used, or consumed by a provider or a subsidiary of a provider) is entitled under this section for a calendar year is equal to:

(1) the amount of the tax paid by the provider or subsidiary during the calendar year on property eligible for a refund under this section, if the total amount of tax paid by all providers and subsidiaries described by Subsection (b)(1) that are eligible for a refund under this section is not more than \$75 million, rather than \$50 million, for the calendar year; or

(2) a pro rata share of \$75 million, rather than \$50 million, if the total amount of tax paid by all providers and subsidiaries described by Subsection (b)(1) that are eligible for a refund under this section is more than \$75 million, rather than \$50 million, for the calendar year.

SECTION 2. Effective date: September 1, 2015.