

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 7, 2015**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Finance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **SB1030** by Seliger (relating to a sales and use tax exemption for certain equipment used for digital audio broadcasting.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1030, Committee Report 1st House, Substituted: a negative impact of (\$140,000) through the biennium ending August 31, 2017.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$70,000)
2017	(\$70,000)
2018	(\$70,000)
2019	(\$70,000)
2020	(\$70,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue (Loss) from <i>Cities</i>	Probable Revenue (Loss) from <i>Transit Authorities</i>	Probable Revenue (Loss) from <i>Counties and Special Districts</i>
2016	(\$70,000)	(\$13,000)	(\$4,000)	(\$2,000)
2017	(\$70,000)	(\$13,000)	(\$4,000)	(\$2,000)
2018	(\$70,000)	(\$13,000)	(\$4,000)	(\$2,000)
2019	(\$70,000)	(\$13,000)	(\$4,000)	(\$2,000)
2020	(\$70,000)	(\$13,000)	(\$4,000)	(\$2,000)

**Fiscal Analysis**

The bill would amend Section 151.3185 of the Tax Code to add new Subsection (g) to provide a sales and use tax exemption for certain digital audio broadcasting equipment.

Tangible personal property sold to an entity to which 47 C.F.R. Section 73.404(a) applies (licensed digital audio broadcasting stations that use the In-band On-channel system for

broadcasting purposes) that is necessary to meet certain standards prescribed by federal law would be exempt from sales and use tax.

The bill would take effect September 1, 2015.

### **Methodology**

Information from industry sources regarding the expected frequency of radio station conversions to digital broadcasting, and the average cost, were used to estimate the fiscal implications of the proposed exemption.

### **Local Government Impact**

There would be a proportional loss of sales and use tax revenue from local taxing jurisdictions as shown in the above table.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD