

## **BILL ANALYSIS**

H.B. 2475  
By: Davis, Sarah  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Historically, sales and use tax exemptions have been allowed on the sale of tickets for certain amusement services, such as a theatrical production offered by an eligible nonprofit organization, resulting in significant revenue to support the arts. According to interested parties, there has been an effort to narrow the scope of the sales and use tax exemption for certain amusement services. H.B. 2475 seeks to hold harmless certain nonprofit organizations who rely on the exemption.

### **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. 2475 amends the Tax Code to establish that an amusement service remains exclusively provided by a nonprofit corporation or association whose proceeds do not go to the benefit of an individual except as a part of the services of a purely public charity or exclusively provided by an educational, religious, law enforcement association, or charitable organization, for purposes of the sales and use tax exemption for such amusement services, if such an entity contracts with another entity not listed or described as a tax-exempt amusement service provider to provide touring Broadway productions subject to a contract with the other entity for a term of at least five years and at least five presentations each year and held at a location either owned by, or leased or licensed for a term of at least one year to, the contracting entity.

### **EFFECTIVE DATE**

September 1, 2017.