

By: Shine

H.B. No. 2562

A BILL TO BE ENTITLED

AN ACT

relating to a sales and use tax exemption for property used in master recordings and admissions to certain amusement services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 151.3101, Tax Code, is amended by adding subsection (d) to read as follows:

(d) An admission to the championship game of the National Football League is exempted from the taxes imposed by this chapter.

SECTION 2. Section 151.3185, Tax Code, is amended by amending Subsections (a) and (e) and adding Subsection (h) to read as follows:

(a) The sale, lease, or rental or storage, use, or other consumption of the following items are exempted from the taxes imposed by this chapter:

(1) tangible personal property that will become an ingredient or component part of:

(A) a motion picture, ~~or~~ video, or audio master recording, a copy of which is sold or offered for ultimate sale, licensed, distributed, broadcast, or otherwise exhibited for consideration; or

(B) a broadcast by a producer of cable programs or by a radio or television station licensed by the Federal Communications Commission;

(2) tangible personal property that is necessary or

1 essential to and used or consumed in or during:

2 (A) the production of a motion picture, ~~[or]~~
3 video, or audio master recording, a copy of which is sold or offered
4 for ultimate sale, licensed, distributed, broadcast, or otherwise
5 exhibited for consideration; or

6 (B) the production of a broadcast by or for a
7 cable program producer or by or for a radio or television station
8 licensed by the Federal Communications Commission; and

9 (3) except as provided by Subsection (c), services
10 that are necessary and essential to and used directly in a
11 production described by Subdivision (2)(A) or (B).

12 (e) The sale of a motion picture, video, or audio master
13 recording by the producer of the master is exempt from the taxes
14 imposed by this chapter.

15 (h) For purposes of this section, "master recording" means
16 the principal media on which images, sound, or a combination of
17 images and sound are first fixed, and from which copies are
18 commercially made available for sale, license, distribution,
19 broadcast, or exhibition of the master recording or copies for
20 consideration.

21 SECTION 3. The changes in law made by this Act apply to
22 master recordings sold, leased, rented, stored, used, or otherwise
23 consumed on or after the effective date of this Act. Master
24 recordings sold, leased, rented, stored, used, or otherwise
25 consumed before that date are governed by the law in effect on the
26 date of the sale, lease, rental, storage, use, or other consumption
27 and the former law is continued in effect for that purpose.

1 SECTION 4. This Act takes effect September 1, 2017.