

BILL ANALYSIS

H.B. 3086
By: Cole
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Certain property used in the production of motion pictures or audio or video recordings and broadcasts is exempt from the state sales and use tax. It has been suggested that while the intention of the exemption was for commercial motion pictures, videos, or audio recordings for mass broadcast, there is a lack of clarity regarding whether the exemption applies to purchases relating to noncommercial productions of motion pictures, videos, or audio recordings. H.B. 3086 seeks to address this issue by clarifying the property to which the exemption applies.

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. 3086 amends the Tax Code to clarify that the exemption of certain property used in the production of motion picture, video, or audio recordings and broadcasts from the Limited Sales, Excise, and Use Tax Act applies to a motion picture, video, and audio master recording. The bill defines "master recording" as the principal media on which images, sound, or a combination of images and sound are first fixed and from which copies are commercially made available for sale, license, distribution, broadcast, or exhibition for consideration. The bill's provisions are expressly a clarification of existing law and do not imply that existing law may be construed as inconsistent with the bill's provisions.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.