

BILL ANALYSIS

H.B. 4198
By: Murphy
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

A performing rights society, also called a performing rights organization, licenses public performances of copyrighted musical works. Some composers, songwriters, and music publishers grant these organizations the right to license musical performances on their behalf, and the organizations then issue licenses to entities such as restaurants, retail stores, and radio and television stations. It has been suggested that certain payments made by these organizations to the copyright holders should be excluded from the total revenue of the organization for purposes of computing the franchise tax. H.B. 4198 seeks to address this issue by providing for this exclusion.

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. 4198 amends the Tax Code to require an entity that is subject to the franchise tax and is a performing rights society that licenses the public performance of nondramatic musical works on behalf of a copyright owner to exclude from its total revenue, for purposes of calculating such tax, payments made to the public performance rights holder and copyright owner for whom the entity licenses the public performance.

EFFECTIVE DATE

January 1, 2020.