

AN ACT

relating to the sales and use tax exemption for property used in the production of motion picture, video, or audio recordings and broadcasts.

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

SECTION 1. The heading to Section 151.3185, Tax Code, is amended to read as follows:

Sec. 151.3185. PROPERTY USED IN THE PRODUCTION OF MOTION PICTURE, [~~PICTURES OR~~] VIDEO, OR AUDIO RECORDINGS AND BROADCASTS.

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;

1 (2) tangible personal property that is necessary or
2 essential to and used or consumed in or during:

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

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

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

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

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

21 SECTION 3. The amendment made by this Act is a clarification
22 of existing law and does not imply that existing law may be
23 construed as inconsistent with the law as amended by this Act.

24 SECTION 4. This Act takes effect immediately if it receives
25 a vote of two-thirds of all the members elected to each house, as
26 provided by Section 39, Article III, Texas Constitution. If this
27 Act does not receive the vote necessary for immediate effect, this

H.B. No. 3086

1 Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I certify that H.B. No. 3086 was passed by the House on April 10, 2019, by the following vote: Yeas 142, Nays 4, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3086 was passed by the Senate on May 15, 2019, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor