

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 3, 2019

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB3086** by Cole (Relating to the sales and use tax exemption for property used in the production of motion picture, video, or audio recordings and broadcasts.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 151 of the Tax Code, regarding sales and use taxation of property used in the production of certain motion picture, video, or audio recordings.

Section 151.3185 provides, in pertinent part, that tangible personal property that will become an ingredient or component part of, or is necessary and used or consumed in the production of, a motion picture, video, or audio recording a copy of which is sold, licensed, distributed, broadcast, or otherwise exhibited, is exempt from tax.

The bill would amend Section 151.3185 to clarify that the exemption applies with respect to a motion picture, video, or audio master recording, a copy of which is sold or otherwise distributed or exhibited for consideration, and adds a definition of "master recording."

The bill is a codification of current administrative policy regarding the interpretation of Section 151.3185, and thus would have no fiscal implications.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: WP, KK, SD