

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 9, 2019**

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

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

**IN RE: HB3386** by Geren (Relating to the sales and use tax exemption for certain amusement services.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 151 of the Tax Code, regarding amusement services exemptions from the sales and use tax.

Section 151.3101 provides that amusement services are exempt from tax when exclusively provided by eligible entities, including certain nonprofit corporations dedicated to the promotion of agriculture.

Subsection (d) would be added to Section 151.3101 to provide that an amusement service remains exclusively provided by a nonprofit corporation dedicated to the promotion of agriculture by the maintenance of public fairs and exhibitions of livestock, and thus exempt from tax, if: the amusement service is provided at a facility principally used for rodeos, livestock shows, equestrian events, agricultural expositions, county fairs, or similar events; and the facility is a "qualified project" under Chapter 351.1015 (a)(5)(B) related to qualified projects and municipal hotel occupancy taxes. A qualified project under Chapter 351.1015 (a)(5)(B) is defined as a multipurpose arena or venue that includes a livestock facility and is located within or adjacent to a recognized cultural district, and any related infrastructure, that is: located on land owned by a municipality or by the owner of the venue; partially financed by private contributions that equal not less than 40 percent of the project costs; and related to the promotion of tourism and the convention and hotel industry.

The Comptroller of Public Accounts indicates that the bill's provisions are consistent with current administrative policy regarding exemptions under Section 151.3101, and consequently the bill would have no fiscal implications.

The bill would take effect October 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