

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 15, 2019

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

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

IN RE: **SB1273** by Bettencourt (Relating to the sales and use tax exemption for certain amusement services.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 151 of the Tax Code, regarding amusement services exemptions from 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 and educational, religious, and charitable organizations.

Subsection (d) would be added to the Section 151.3101 to provide that an amusement service remains exclusively provided by certain eligible entities, and thus exempt from tax, when the amusement service is a touring theatrical performance provided by a non-eligible entity under contract with the eligible entity. The contract between the eligible and non-eligible entities must be for a term of at least five years and must provide for at least five presentations each year, and the productions must be held at a location either owned by, or leased or licensed for a term of at least one year to, the eligible contracting entity.

The bill's provisions are consistent with current administrative policy regarding exemptions under Section 151.3101, and consequently would have no fiscal implications.

The bill 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