

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

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

**March 19, 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.), **Committee Report 1st House, Substituted**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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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 (b-1) would be added to 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.

Subsection (c)(2) would be added to Section 151.3101 to define "theatrical production" as a live staged play, musical play, opera, or ballet.

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