

BILL ANALYSIS

H.B. 3358
By: Button
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In the Texas of tomorrow, everyone should have access to robust broadband internet that enables them to work, learn, and gain access to essential services. As part of an effort to further that goal, the legislature passed H.B. 1133 in 2013, which authorized a sales and use tax refund for property used in connection with providing cable television service, Internet access service, or telecommunications services, but the legislation capped the maximum refund available. While this effort has been a success, removal of the maximum cap for a limited period may encourage more investment in broadband. Additionally, a unique opportunity currently exists to take advantage of infusions of federal funds aimed at encouraging broadband. H.B. 3358 seeks to advance broadband investment efforts by allowing such refunds to equal the full amount of applicable taxes paid from 2024 until the end of 2029.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3358 amends the Tax Code to make the \$50 million cap on the amount of refunds available in a calendar year to providers of cable television service, Internet access service, or telecommunications service and subsidiaries of such providers for sales and use tax paid on tangible personal property used to provide the service inapplicable during the 2024 through 2029 calendar years. The bill entitles a provider or subsidiary to a full refund of the tax paid on eligible property in one of those calendar years, regardless of whether the total amount of all such refunds for the year exceeds the cap. The bill's provisions expire January 1, 2034.

EFFECTIVE DATE

September 1, 2023.