By:  Perry S.B. No. 1614

(In the Senate - Filed March 6, 2023; March 16, 2023, read first time and referred to Committee on Finance; April 5, 2023, reported adversely, with favorable Committee Substitute by the following vote: Yeas 17, Nays 0; April 5, 2023, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Huffman              X

Hinojosa             X

Bettencourt          X

Campbell             X

Creighton            X

Flores               X

Hall                 X

Hancock              X

Hughes               X

Kolkhorst            X

Nichols              X

Paxton               X

Perry                X

Schwertner           X

West                 X

Whitmire             X

Zaffirini            X

COMMITTEE SUBSTITUTE FOR S.B. No. 1614 By:  Perry

A BILL TO BE ENTITLED

AN ACT

relating to the computation of the cost of goods sold by television and radio broadcasters for purposes of the franchise tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 171.1012(o), Tax Code, is amended to read as follows:

(o)  If a taxable entity, including a taxable entity with respect to which cost of goods sold is determined pursuant to Section 171.1014(e)(1), whose principal business activity is film or television production, television or radio broadcasting, [~~or~~] the distribution of tangible personal property described by Subsection (a)(3)(A)(ii), or any combination of these activities, elects to subtract cost of goods sold, the cost of goods sold for the taxable entity shall be the costs described in this section in relation to the property and include depreciation, amortization, and other expenses directly related to the acquisition, production, or use of the property, including expenses for the right to broadcast or use the property. For purposes of this subsection, "television or radio broadcasting" means television or radio broadcasting under a television or radio broadcast license issued by the Federal Communications Commission and regulated under 47 C.F.R. Part 73 or 74.

SECTION 2.  The amendment made by this Act is a clarification of existing law and does not imply that existing law may be construed as inconsistent with the law as amended by this Act.

SECTION 3.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

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