

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**Revision 1**

**April 2, 2023**

**TO:** Honorable Joan Huffman, Chair, Senate Committee on Finance

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB1614** by Perry (Relating to the computation of the cost of goods sold by television and radio broadcasters for purposes of the franchise tax.), **As Introduced**

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

The bill would amend Section 171.1012(o) of the Tax Code to clarify the list of taxable entities eligible to compute cost of goods sold includes those whose principal business activity is television and radio broadcasting. Cost of goods sold under this paragraph includes 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.

According to the Comptroller, the bill would codify current administrative practice and thus have no fiscal implications.

The bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2023.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, KK, SD