

Amend CSSB 1405 (house committee report) as follows:

(1) On page 11, line 12, between the period and "The", insert "(a)".

(2) On page 11, between lines 16 and 17, insert the following:

(b) Section 151.3186, Tax Code, is repealed effective January 1, 2027.

(3) On page 11, line 17, strike "The" and substitute "(a) Except as provided by Subsection (b) of this section, the".

(4) On page 11, between lines 22 and 23, insert the following:

(b) The repeal of Section 151.3186, Tax Code, by this Act does not affect a refund:

(1) to which a taxpayer became entitled before the effective date of the repeal; and

(2) for which a taxpayer timely filed a claim with the comptroller of public accounts on or before March 31, 2027.

(5) On page 11, line 26, strike "This" and substitute "Except as otherwise provided by this Act, this".

(6) Add the following appropriately numbered SECTION to the bill and renumber the SECTIONS of the bill accordingly:

SECTION _____. Effective January 1, 2028, Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3187 to read as follows:

Sec. 151.3187. PROPERTY USED IN CABLE TELEVISION, INTERNET ACCESS, OR TELECOMMUNICATIONS SERVICES. (a) In this section, "provider" means a provider of cable television service, Internet access service, or telecommunications services.

(b) Notwithstanding Sections 151.051 and 151.101 and except as provided by Subsection (c), the rate of the tax imposed under this chapter on the sale, lease, or rental or storage, use, or other consumption of tangible personal property is four percent if:

(1) the property is sold, leased, or rented to or stored, used, or consumed by a provider or a subsidiary of a provider; and

(2) the property is directly used or consumed by the provider or subsidiary described by Subdivision (1) in or during:

(A) the distribution of cable television service;

(B) the provision of Internet access service; or

(C) the transmission, conveyance, routing, or reception of telecommunications services.

(c) This section does not apply to:

(1) the sale, lease, or rental or storage, use, or other consumption of tangible personal property directly used or consumed in or during the provision, creation, or production of a data processing service or information service; or

(2) a tax authorized or imposed under Subtitle C, Title 3.

(d) The comptroller shall adopt rules to implement this section, including rules providing for a partial refund of any amount of tax imposed at the rate provided by Subsection (b) but collected at the rate provided by Section 151.051(b).