BILL ANALYSIS

S.B. 263
By: Perry
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill sponsor has informed the committee that there is currently an inconsistency with the application of the franchise tax between free, over-the-air, local television broadcasters licensed by the FCC, and free, over-the-air, local FCC-licensed radio broadcasters. S.B. 263 seeks to ensure franchise tax consistency between radio and television broadcasters by providing a clarification relating to the computation of the cost of goods sold by television and radio broadcasters for purposes of the franchise tax.

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

S.B. 263 amends the Tax Code to clarify that the principal business activity of broadcasting, for purposes of determining the cost of goods sold for an entity subject to the franchise tax with that principal business activity, is television or radio broadcasting. The bill defines "television or radio broadcasting" for these purposes as television or radio broadcasting under a television or radio broadcast license issued by the FCC and regulated under federal regulations regarding radio broadcast services or experimental radio, auxiliary, special broadcast, and other program distributional services. The bill establishes that it is a clarification of existing law and does not imply that existing law may be construed as inconsistent with the bill's provisions.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.