

1-1 By: Cole (Senate Sponsor - Zaffirini) H.B. No. 3086
 1-2 (In the Senate - Received from the House April 11, 2019;
 1-3 April 15, 2019, read first time and referred to Committee on
 1-4 Finance; May 7, 2019, reported favorably by the following vote:
 1-5 Yeas 14, Nays 0; May 7, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Hinojosa	X			
1-9 Bettencourt			X	
1-10 Birdwell	X			
1-11 Campbell	X			
1-12 Flores	X			
1-13 Hancock	X			
1-14 Huffman	X			
1-15 Kolkhorst	X			
1-16 Nichols	X			
1-17 Perry	X			
1-18 Taylor	X			
1-19 Watson	X			
1-20 West	X			
1-21 Whitmire	X			

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to the sales and use tax exemption for property used in the
 1-26 production of motion picture, video, or audio recordings and
 1-27 broadcasts.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. The heading to Section 151.3185, Tax Code, is
 1-30 amended to read as follows:

1-31 Sec. 151.3185. PROPERTY USED IN THE PRODUCTION OF MOTION
 1-32 PICTURE, [~~PICTURES OR~~] VIDEO, OR AUDIO RECORDINGS AND BROADCASTS.

1-33 SECTION 2. Section 151.3185, Tax Code, is amended by
 1-34 amending Subsections (a) and (e) and adding Subsection (h) to read
 1-35 as follows:

1-36 (a) The sale, lease, or rental or storage, use, or other
 1-37 consumption of the following items are exempted from the taxes
 1-38 imposed by this chapter:

1-39 (1) tangible personal property that will become an
 1-40 ingredient or component part of:

1-41 (A) a motion picture, [~~or~~] video, or audio master
 1-42 recording, a copy of which is sold or offered for ultimate sale,
 1-43 licensed, distributed, broadcast, or otherwise exhibited for
 1-44 consideration; or

1-45 (B) a broadcast by a producer of cable programs
 1-46 or by a radio or television station licensed by the Federal
 1-47 Communications Commission;

1-48 (2) tangible personal property that is necessary or
 1-49 essential to and used or consumed in or during:

1-50 (A) the production of a motion picture, [~~or~~]
 1-51 video, or audio master recording, a copy of which is sold or offered
 1-52 for ultimate sale, licensed, distributed, broadcast, or otherwise
 1-53 exhibited for consideration; or

1-54 (B) the production of a broadcast by or for a
 1-55 cable program producer or by or for a radio or television station
 1-56 licensed by the Federal Communications Commission; and

1-57 (3) except as provided by Subsection (c), services
 1-58 that are necessary and essential to and used directly in a
 1-59 production described by Subdivision (2)(A) or (B).

1-60 (e) The sale of a motion picture, video, or audio master
 1-61 recording by the producer of the master recording is exempt from the

2-1 taxes imposed by this chapter.

2-2 (h) In this section, "master recording" means the principal
2-3 media on which images, sound, or a combination of images and sound
2-4 are first fixed and from which copies are commercially made
2-5 available for sale, license, distribution, broadcast, or
2-6 exhibition for consideration.

2-7 SECTION 3. The amendment made by this Act is a clarification
2-8 of existing law and does not imply that existing law may be
2-9 construed as inconsistent with the law as amended by this Act.

2-10 SECTION 4. This Act takes effect immediately if it receives
2-11 a vote of two-thirds of all the members elected to each house, as
2-12 provided by Section 39, Article III, Texas Constitution. If this
2-13 Act does not receive the vote necessary for immediate effect, this
2-14 Act takes effect September 1, 2019.

2-15

* * * * *