

1-1 By: Perry S.B. No. 263  
 1-2 (In the Senate - Filed November 12, 2024;  
 1-3 February 3, 2025, read first time and referred to Committee on  
 1-4 Finance; March 5, 2025, reported favorably by the following vote:  
 1-5 Yeas 15, Nays 0; March 5, 2025, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			

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

1-25 relating to the computation of the cost of goods sold by television  
 1-26 and radio broadcasters for purposes of the franchise tax.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Section 171.1012(o), Tax Code, is amended to  
 1-29 read as follows:

1-30 (o) If a taxable entity, including a taxable entity with  
 1-31 respect to which cost of goods sold is determined pursuant to  
 1-32 Section 171.1014(e)(1), whose principal business activity is film  
 1-33 or television production, television or radio broadcasting, ~~or~~  
 1-34 the distribution of tangible personal property described by  
 1-35 Subsection (a)(3)(A)(ii), or any combination of these activities,  
 1-36 elects to subtract cost of goods sold, the cost of goods sold for  
 1-37 the taxable entity shall be the costs described in this section in  
 1-38 relation to the property and include depreciation, amortization,  
 1-39 and other expenses directly related to the acquisition, production,  
 1-40 or use of the property, including expenses for the right to  
 1-41 broadcast or use the property. For purposes of this subsection,  
 1-42 "television or radio broadcasting" means television or radio  
 1-43 broadcasting under a television or radio broadcast license issued  
 1-44 by the Federal Communications Commission and regulated under 47  
 1-45 C.F.R. Part 73 or 74.

1-46 SECTION 2. The amendment made by this Act is a clarification  
 1-47 of existing law and does not imply that existing law may be  
 1-48 construed as inconsistent with the law as amended by this Act.

1-49 SECTION 3. This Act takes effect immediately if it receives  
 1-50 a vote of two-thirds of all the members elected to each house, as  
 1-51 provided by Section 39, Article III, Texas Constitution. If this  
 1-52 Act does not receive the vote necessary for immediate effect, this  
 1-53 Act takes effect September 1, 2025.

1-54 \* \* \* \* \*