

## **BILL ANALYSIS**

H.B. 4038  
By: Bohac  
Government Transparency & Operation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

According to interested parties, there is some inequity in the application of the temporary sales and use tax exemption for property used in certain data centers given that third-party employees of some data centers are treated differently than others. H.B. 4038 seeks to treat all such employees as the same for purposes of the exemption.

### **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**

H.B. 4038 amends the Tax Code to specify that the definition of "qualifying job," as it relates to the temporary sales and use tax exemption for property used in certain data centers, includes a new employment position staffed by a third-party employer if a written contract exists between the third-party employer and a qualifying owner, qualifying operator, or qualifying occupant that provides that the employment position is permanently assigned to an associated qualifying data center.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.