

BILL ANALYSIS

Senate Research Center

H.B. 2157
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Finance
5-7-97
Engrossed

DIGEST

Currently, Chapter 151 of the Tax Code, regarding limited sales, excise, and use tax, imposes a tax on amusement services. The tax is routinely collected at the time of the original sale of tickets to an amusement service and the ticket seller then reports and remits the tax to the Comptroller of Public Accounts. In some cases, event tickets are repurchased and resold. Problems have arisen because current law makes no provision for the transfer of the credit for the sales tax paid by the original purchaser of the ticket to a reseller. H.B. 2157 would establish a mechanism to credit a re-seller the sales tax already paid on the original purchase of an event ticket.

PURPOSE

As proposed, H.B. 2157 provides for reporting under the sales and use tax the value of certain tickets to an amusement service purchased for resale.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 151I, Tax Code, by adding Section 151.432, as follows:

Sec. 151.432. DEDUCTIONS OF TAX ON TICKET OR ADMISSION DOCUMENT TO AMUSEMENT SERVICE. Authorizes a reseller of a ticket or admission document to an amusement service to deduct from taxable sales reported the adjusted value of the ticket or admission document purchased for resale from a non-permitted purchaser of the ticket or admission document under certain conditions. Requires the reseller's books and records to be kept in accordance with the requirements of Section 151.025 and to document certain information. Authorizes the reseller to satisfy Subsection (b)(3) by retaining a reproduction of a ticket or admission document to the amusement service. Defines "adjusted value of a ticket or admission document."

SECTION 2. Effective date: October 1, 1997.

SECTION 3. Emergency clause.