

## **BILL ANALYSIS**

Senate Research Center

H.B. 2475  
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Finance  
7/31/2017  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Historically, sales and use tax exemptions have been allowed on the sale of tickets for certain amusement services, such as a theatrical production offered by an eligible nonprofit organization, resulting in significant revenue to support the arts. According to interested parties, there has been an effort to narrow the scope of the sales and use tax exemption for certain amusement services. H.B. 2475 seeks to hold harmless certain nonprofit organizations that rely on the exemption.

H.B. 2475 amends current law relating to the sales and use tax exemption for certain amusement services.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 151.3101, Tax Code, by adding Subsection (d), as follows:

(d) Provides that an amusement service remains exclusively provided under Subsection (a)(3) (relating to amusement services being exempted from the taxes imposed by this chapter (Limited Sales, Excise, and Use Taxes) only if exclusively provided by a nonprofit corporation) or (5) (relating to amusement services being exempted from the taxes imposed by this chapter only if exclusively provided by an educational, religious, law enforcement association, or charitable organization) if an entity described by Subsection (a)(3) or (5) contracts with another entity not listed in or described by Subsection (a) (relating to certain amusement services exemptions) to provide touring Broadway productions:

(1) subject to a contract with the other entity for a term of at least five years and at least five presentations each year; and

(2) held at a location either owned by, or leased or licensed for a term of at least one year to, the contracting entity described by Subsection (a)(3) or (5).

SECTION 2. Provides that the change in law made by this Act does not affect taxes imposed before the effective date of this Act, and the law in effect before the effective date of this Act is continued in effect for purposes of the liability for and collection of those taxes.

SECTION 3. Effective date: September 1, 2017.