

By: Estes

S.B. No. 1330

A BILL TO BE ENTITLED

# 1 AN ACT

2 relating to a sales and use tax exemption for tangible personal  
3 property used to provide cable television service, Internet access  
4 service, or telecommunications services and to the exclusion of  
5 that property in certain economic development agreements.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended  
8 by adding Section 151.3186 to read as follows:

9 Sec. 151.3186. PROPERTY USED IN CABLE TELEVISION, INTERNET  
10 ACCESS, OR TELECOMMUNICATIONS SERVICES. (a) In this section,  
11 "provider" means a provider of cable television service, Internet  
12 access service, or telecommunications services.

13                   (b) The sale, lease, or rental or storage, use, or other  
14 consumption of tangible personal property is exempted from the  
15 taxes imposed by this chapter if:

1 reception of telecommunications services.

2        (c) The sale, lease, or rental or storage, use, or other  
3 consumption of tangible personal property is not exempted from the  
4 taxes imposed by this chapter if the property is directly used or  
5 consumed in or during the provision, creation, or production of  
6 data processing or information services as defined in this chapter.

7        SECTION 2. Section 313.021(2), Tax Code, is amended to read  
8 as follows:

9                (2) "Qualified property" means:

10                (A) land:

11                (i) that is located in an area designated as  
12 a reinvestment zone under Chapter 311 or 312 or as an enterprise  
13 zone under Chapter 2303, Government Code;

14                (ii) on which a person proposes to  
15 construct a new building or erect or affix a new improvement that  
16 does not exist before the date the person applies for a limitation  
17 on appraised value under this subchapter;

18                (iii) that is not subject to a tax abatement  
19 agreement entered into by a school district under Chapter 312; and

20                (iv) on which, in connection with the new  
21 building or new improvement described by Subparagraph (ii), the  
22 owner or lessee of, or the holder of another possessory interest in,  
23 the land proposes to:

24                (a) make a qualified investment in an  
25 amount equal to at least the minimum amount required by Section  
26 313.023; and

27                (b) create at least 25 new jobs;

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1 (B) the new building or other new improvement  
2 described by Paragraph (A)(ii); and

3 (C) tangible personal property [~~that~~]:

4 (i) that is not subject to a tax abatement  
5 agreement entered into by a school district under Chapter 312;  
6 [and]

7 (ii) for which a sales and use tax exemption  
8 is not claimed under Section 151.3186; and

16 SECTION 3. The change in law made by this Act does not  
17 affect tax liability accruing before the effective date of this  
18 Act. That liability continues in effect as if this Act had not been  
19 enacted, and the former law is continued in effect for the  
20 collection of taxes due and for civil and criminal enforcement of  
21 the liability for those taxes.

22 SECTION 4. This Act takes effect September 1, 2013.