

BILL ANALYSIS

Senate Research Center
77R5361 CBH-D

S.B. 547
By: Sibley
Finance
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DIGEST AND PURPOSE

Currently, the sales tax is levied on the amount a customer pays for the Federal Universal Service Fund, the Texas Universal Fund, the Telecommunications Infrastructure Fund, the Public Utility Gross Receipts Tax, and the Municipal Franchise Fee. As proposed, S.B. 547 exempts the Federal Universal Service Fund, the Texas Universal Fund, the Telecommunications Infrastructure Fund, the Public Utility Gross Receipts Tax, and the Municipal Franchise Fee from the sales tax.

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 151.007, Tax Code, by adding Subsection (f), as follows:

(f) Provides that the sales price of telecommunications services does not include the following assessments and fees, if the assessment or fee is passed through to the purchaser of the service and is listed as a separate line item on the customer's bill:

- (1) the utility gross receipts assessment imposed under Chapter 56A, Utilities Code;
- (2) the state universal service fund assessment imposed under Chapter 56B, Utilities Code;
- (3) the federal universal service fund charge;
- (4) the telecommunications infrastructure fund assessment imposed under Chapter 57C, Utilities Code; or,
- (5) a municipal franchise tax or right-of way fee authorized by Chapter 283 (Management of Public Right-of-Way Used by Telecommunications Provider in Municipality).

SECTION 2. Effective date: September 1, 2001.
Makes application of this Act prospective.