

BILL ANALYSIS

S.B. 762
By: Bettencourt
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law entitles a person to an exemption from taxation of the tangible personal property the person owns that is held or used for the production of income if that property has a taxable value of less than \$500. Interested parties note that this exemption is provided because the actual cost of appraising and assessing taxes on a business with tangible personal property worth less than a certain amount is greater than the property tax revenue due on that property. According to the parties, that amount is due for an increase, having not been changed for 20 years. S.B. 762 seeks to provide relief from the fiscal and administrative burden of paying property taxes for Texas' smallest businesses, while freeing appraisal districts and tax assessors to put their resources to better use on accounts that will generate more revenue for taxing units.

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

S.B. 762 amends the Tax Code to increase from less than \$500 to less than \$2,500 the maximum taxable value of tangible personal property a person owns that is held or used for the production of income in order for the person to be entitled to an exemption from taxation of such property.

EFFECTIVE DATE

January 1, 2016.