

## **BILL ANALYSIS**

Senate Research Center

S.B. 1464  
By: Cain  
Finance  
4/20/1999  
As Filed

### **DIGEST**

Currently, furniture, fixtures, and equipment in or on real property are included in the appraised value of income-producing real property for purposes of ad valorem taxation. The furniture, fixtures, and equipment are also subject to the personal business property tax. A double assessment occurs when a taxpayer and the appraisal district reach a settlement on real property using either the income, or the market approach to determine the value of the property, and the appraisal district only uses the real property account and not the personal property. S.B. 1464 would prohibit furniture, fixtures, and equipment from being subject to additional appraisal or taxation as personal property, if real property is appraised by a method that takes into account the value of furniture, fixtures, and equipment in or on the real property.

### **PURPOSE**

As proposed, S.B. 1464 exempts certain appraisals of furniture, fixtures, and equipment from ad valorem taxes.

### **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 23B, Tax Code, by adding Section 23.24, as follows:

Sec. 23.24. FURNITURE, FIXTURES, AND EQUIPMENT. Prohibits furniture, fixtures, and equipment from being subject to additional appraisal or taxation as personal property, if real property is appraised by a method that takes into account the value of furniture, fixtures, and equipment in or on the real property.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.