

BILL ANALYSIS

Senate Research Center

C.S.S.J.R. 36

By: Cain

Finance

4/26/1999

Committee Report (Substituted)

DIGEST

Currently, under Texas law, a person is required to render, for purposes of ad valorem taxation, all tangible personal property used for the production of income. A recent court case ruled that the renditions requirement was merely directory and not mandatory. As a result, tax consultants are advising their clients that rendition of business personal property is not required in Texas. This bill would require the submission to the voters of a constitutional amendment to authorize an exemption or other relief from ad valorem taxation for commercial tangible personal property if the property is voluntarily rendered for taxation.

PURPOSE

As proposed, C.S.S.J.R. 36 requires the submission to the voters of a constitutional amendment to authorize an exemption or other relief from ad valorem taxation for commercial tangible personal property if the property is voluntarily rendered for taxation.

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 Section 1, Article VIII, Texas Constitution, by adding Subsection (j), to authorize the legislature to exempt from ad valorem taxation \$10,000 or a lesser amount of the market value of tangible personal property held or used for the production of income or provide other tax relief of the property is voluntarily rendered for taxation.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 2, 1999. Sets forth the required language for the ballot.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Amends Section 1(j), Article VIII, Texas Constitution, to authorize the legislature to exempt from ad valorem taxation \$10,000 or a lesser amount of the market value, rather than all or part of the market value, of tangible personal property held or used for the production of income or provide other tax relief of the property is voluntarily rendered for taxation.