

BILL ANALYSIS

Senate Research Center
77R9610 SMH-F

H.B. 1100
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Intergovernmental Relations
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Engrossed

DIGEST AND PURPOSE

Currently, a commercial or special-purpose vessel or other watercraft used outside Texas that is in the state solely to be repaired, stored, or inspected is presumed to be in interstate, international, or foreign commerce, which excludes it from ad valorem taxation. As proposed, H.B. 1100 includes in this tax exemption vessels that are under construction in Texas that are intended to be used for interstate, international, or foreign commerce or are in Texas to be converted.

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 21.031, Tax Code, by amending Subsection (c) and adding Subsections (g) and (h), as follows:

(c) Provides that a vessel or other watercraft used as an instrumentality of commerce or a special-purpose vessel or other watercraft not used as an instrumentality of commerce that is used outside this state and is in this state solely to be converted is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02.

(g) Provides that a vessel or other watercraft to be used as an instrumentality of commerce or a special-purpose vessel or other watercraft not to be used as an instrumentality of commerce that is under construction in this state is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02.

(h) Provides that tangible personal property in this state is presumed to be in interstate, international, or foreign commerce, and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02, if the owner demonstrates to the chief appraiser that the owner intends to incorporate the property in or attach the property to an identified vessel or other watercraft described by Subsection (c) or (g).

SECTION 2. Effective date: January 1, 2002.