

BILL ANALYSIS

Senate Research Center
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S.B. 1379
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under Section 11.161 (Implements of Husbandry) of the Tax Code, machinery and equipment items that are used in the production of farm or ranch products or of timber are considered to be implements of husbandry and are exempted from ad valorem taxation.

Concerned stakeholders have noted that unfortunately structures that are primarily used for the storage of such machinery, such as barns, are not included under the implements of husbandry exemption under the Tax Code.

S.B. 1379, and its corresponding S.J.R. 50, provides that upon the ratification of the constitutional amendment, a structure that is primarily used to store implements of husbandry is exempt from ad valorem taxation.

As proposed, S.B. 1379 amends current law relating to an exemption from ad valorem taxation of structures used primarily to store implements of husbandry.

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 Subchapter B, Chapter 11, Tax Code, by adding Section 11.162, as follows:

Sec. 11.162. STRUCTURES USED TO STORE IMPLEMENTS OF HUSBANDRY.
Provides that a structure used primarily to store implements of husbandry as described by Section 11.161 (Implements of Husbandry) is exempt from ad valorem taxation.

SECTION 2. Amends Section 11.43(c), Tax Code, to include Section 11.162 among the list of exemptions that apply to certain property.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: January 1, 2016, contingent upon approval by the voters of the constitutional amendment relating to authorizing the legislature to exempt from ad valorem taxation structures used to store certain implements of husbandry.