

By: Campbell

H.B. No. 632

A BILL TO BE ENTITLED

AN ACT

relating to the application of the sales tax to certain irrigation systems.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3161 to read as follows:

Sec. 151.3161. CERTAIN IRRIGATION SYSTEMS. (a) In this section, "irrigation system" has the meaning assigned by Section 34.001, Water Code.

(b) This section does not apply to a component of an irrigation system that is exempted under Section 151.316 or 151.3162 from the taxes imposed by this chapter.

(c) The sale of an irrigation system or a component of an irrigation system is exempted from the taxes imposed by this chapter if the system or component meets standards for efficiency adopted by the comptroller.

(d) The comptroller shall adopt efficiency standards under this section in cooperation with the Texas Commission on Environmental Quality. The standards must include requirements for an irrigation system and its components that promote the efficient use of water. The requirements may include specifications regarding:

(1) system valves, circuits, and sprinkler heads;

(2) water pressure regulation;

- 1 (3) programmable controllers for the system;
2 (4) rain shut-off switches and sensors for wind and
3 freeze; and
4 (5) soil depth coverage.

5 SECTION 2. (a) This Act takes effect October 1, 2003.

6 (b) The change in law made by this Act does not affect taxes
7 imposed before the effective date of this Act, and the law in effect
8 before the effective date of this Act is continued in effect for the
9 purposes of the liability for and collection of those taxes.