

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 23, 2003

TO: Honorable Teel Bivins, Chair, Senate Committee on Finance

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1364 by Staples (Relating to the additional tax imposed on land appraised for ad valorem taxation as timber land that is claimed as part of a residence homestead or diverted to certain other uses.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would waive imposition of the rollback penalty for change of use of qualified timber land if the land is: 1) changed for use as the owner's residence homestead; 2) owned by a religious organization and converted to a religious use within five years; or 3) under limited circumstances, used by a not-for-profit cemetery organization.

The rollback tax is the difference between the taxes paid on land's productivity value and the taxes that would have been paid if the land had been taxed at its higher market value. The proposed language is identical to current provisions for the waiver of the rollback penalty for qualified open-space land.

These amounts do not impact the amount of taxable property values reported by the Comptroller to the Commissioner of Education. As a result, no fiscal implication to the State is anticipated.

Local Government Impact

Since the bill restricts the rollback penalty waiver to previously qualified timber land converted for certain purposes, and the value of qualified timber land accounts for a small percentage of the total taxable property value, it is assumed that the impact would not be significant.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JK, SD, WP, DLBe