

By: Bohac

H.B. No. 55

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the annual adjustment for inflation of the amount of the
3 residence homestead exemption from ad valorem taxation by a school
4 district.

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

6 SECTION 1. Section 11.13, Tax Code, is amended by amending
7 Subsection (b) and adding Subsection (b-1) to read as follows:

8 (b) An adult is entitled to exemption from taxation by a
9 school district of a portion [~~\$15,000~~] of the appraised value of the
10 adult's residence homestead in the amount provided by this
11 subsection, except that only \$5,000 [~~\$10,000~~] of the exemption
12 applies [~~does not apply~~] to an entity operating under former
13 Chapter 17, 18, 25, 26, 27, or 28, Education Code, as those chapters
14 existed on May 1, 1995, as permitted by Section 11.301, Education
15 Code. For the 2005 tax year, the amount of the exemption is
16 \$15,000. For each subsequent tax year, the amount of the exemption
17 shall be calculated by the comptroller by multiplying the amount of
18 that exemption for the preceding tax year by the inflation rate and
19 adding that amount to the amount of that exemption for the preceding
20 tax year. Each year, not later than April 15, the comptroller shall
21 calculate the amount of the exemption for the current tax year and
22 publish that amount in the Texas Register.

23 (b-1) In this section:

24 (1) "Consumer price index" means the average over a

1 calendar year of the Consumer Price Index for All Urban Consumers
2 (CPI-U), U.S. City Average, published monthly by the United States
3 Bureau of Labor Statistics, or its successor in function.

4 (2) "Inflation rate" means the amount, positive or
5 negative, expressed in decimal form rounded to the nearest
6 thousandth, computed by:

7 (A) determining the percentage change in the
8 consumer price index for each of the three preceding calendar years
9 as compared to the consumer price index for the calendar year
10 preceding each of those calendar years; and

11 (B) averaging the percentages computed under
12 Paragraph (A).

13 SECTION 2. This Act takes effect January 1, 2006, but only
14 if the constitutional amendment proposed by the 79th Legislature,
15 2nd Called Session, 2005, to provide for the annual adjustment for
16 inflation of the amount of the residence homestead exemption from
17 ad valorem taxation for general elementary and secondary public
18 school purposes is approved by the voters. If that amendment is not
19 approved by the voters, this Act has no effect.