

## **BILL ANALYSIS**

H.B. 312  
By: McReynolds  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Under current law, Chapter 23 Subchapter D of the Tax Code provides for the appraisal method of agriculture land. The subchapter imposes an additional tax on the land if the use of the land changes after the land has been appraised, unless the land will be used as part of the owner's homestead, used by a religious organization, or used by a non-profit cemetery. Subchapter E of the Tax Code imposes an identical additional tax for changes in the use of timber land. However, there are no like exceptions for the taxation of timber land. HB 312 amends Subchapter E of the Tax Code by adding the same exclusions contained in Subchapter D. The goal of this bill is to assure that all open-space land will be taxed in an equal and uniform manner.

### **RULEMAKING AUTHORITY**

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 312 limits the additional tax imposed in Section 23.76 of the Tax Code. The bill exempts timber land from the tax if the land will be used as part of the owner's homestead, used by a religious organization, or used by a non-profit cemetery.

### **EFFECTIVE DATE**

September 1, 2005. The Act applies beginning with a change of use for land that occurs on or after the September 1, 2005.