

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 953
By: Brimer
Finance
5/14/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law requires the owners of commercial property that is designated by a city as historic to pay local and state sales tax on the labor services for repairs or renovations. This legislation addresses unequal treatment between locally designated historic properties and nationally designated historic properties which discourages the owners of property with only local historic designation from pursuing repairs and renovations that would preserve the facility and put it to its highest and best use.

C.S.S.B. 953 exempts the owners of properties that have local and state historic designations, that are used for nonindustrial purposes, and are located inside the boundaries of a certain municipality from local sales taxes on labor services for repairs and remodeling.

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 Section 151.0047, Tax Code, by amending Subsection (a) and adding Subsection (a-1) and (a-2), as follows:

(a) Redefines "real property repair and remodeling."

(a-1) Provides that the exception provided by Subsection (a)(4) (providing that an improvement to a structure that is included in the National Registry of Historic Places or has been designated as a historic structure or building by a state agency or by a local ordinance or order, is used for certain purposes, and is located inside boundaries of a certain municipality is not considered a real property repair and remodeling) does not apply to an improvement to a structure located inside the boundaries of a municipality described by Subsection (a)(4)(C)(the most populous municipality in a county in which two or more municipalities each with a population of more than 300,000 are located) until the date the municipality develops a process and procedure for determining the total number and variety of the structures that may be eligible for that exception, and provides a description of that process and procedure to the comptroller of public accounts (comptroller).

(a-2) Authorizes a municipality described by Subsection (a)(4)(C) to develop and submit to the comptroller a report on the total number of structures located inside the boundaries of the municipality that are eligible for the exception provided by Subsection (a)(4); and a financial profile that includes the amount of state and local taxes generated as a result of interest from the private sector in remodeling commercial properties that are eligible for that exception.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: October 1, 2007.