

Amend CSSB 2274 (House committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 11.42, Tax Code, is amended by amending Subsection (c) and adding Subsection (c-1) to read as follows:

(c) An exemption authorized by Section 11.13(c) or (d) is effective as of January 1 of the tax year in which the person qualifies for the exemption and applies to the entire tax year. If the individual acquired the property in that tax year, each other exemption authorized by Section 11.13 for which the individual qualifies the property in that tax year is also effective as of January 1 of the tax year and applies to the entire tax year.

(c-1) Except as provided by Subsection (c), if an individual acquires a property after January 1 of a tax year and qualifies the property during that tax year for one or more exemptions under Section 11.13, but the individual does not qualify for an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older, and the property did not previously qualify for any exemption under Section 11.13 for any portion of the tax year in which the property was acquired, the individual may receive the exemptions for which the individual qualifies for the portion of that tax year for which the individual qualifies for the exemptions immediately on qualification for the exemptions.

SECTION _____. Section 26.10, Tax Code, is amended by adding Subsection (c) to read as follows:

(c) This section does not affect a residence homestead exemption other than an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older, and for purposes of Subsection (b)(1)(B) the taxes shall be calculated taking into account any residence homestead exemption applicable to the property other than an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older.

SECTION _____. Chapter 26, Tax Code, is amended by adding Section 26.1115 to read as follows:

Sec. 26.1115. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD GENERALLY. (a) If an individual receives one or more exemptions

under Section 11.13, other than an exemption under Section 11.13(c) or (d) for an individual 65 years of age or older, for a portion of a tax year as provided by Section 11.42(c-1), except as provided by Subsection (b) the amount of tax due on the property for that year is calculated by:

(1) subtracting:

(A) the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual qualified for the exemptions for the entire year; from

(B) the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual not qualified for the exemptions during the year;

(2) multiplying the remainder determined under Subdivision (1) by a fraction, the denominator of which is 365 and the numerator of which is the number of days in that year that elapsed before the date the individual first qualified the property for the exemptions; and

(3) adding the product determined under Subdivision (2) and the amount described by Subdivision (1)(A).

(b) If an individual receives one or more exemptions to which Subsection (a) applies for a portion of a tax year as provided by Section 11.42(c-1) and the exemptions terminate during the year in which the individual acquired the property, the amount of tax due on the property for that year is calculated by:

(1) subtracting:

(A) the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual qualified for the exemptions for the entire year; from

(B) the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual not qualified for the exemptions during the year;

(2) multiplying the remainder determined under Subdivision (1) by a fraction, the denominator of which is 365 and the numerator of which is the sum of:

(A) the number of days in that year that elapsed before the date the individual first qualified the property for the exemptions; and

(B) the number of days in that year that elapsed after the date the exemptions terminated; and

(3) adding the product determined under Subdivision (2) and the amount described by Subdivision (1)(A).

(c) If an individual qualifies to receive an exemption as described by Subsection (a) with respect to a property after the amount of tax due on the property is calculated and if the effect of the qualification is to reduce the amount of tax due on the property, the assessor for each taxing unit shall recalculate the amount of the tax due on the property and correct the tax roll. If the tax bill has been mailed and the tax on the property has not been paid, the assessor shall mail a corrected tax bill to the person in whose name the property is listed on the tax roll or to the person's authorized agent. If the tax on the property has been paid, the collector for the taxing unit shall refund to the person who paid the tax the amount by which the payment exceeded the tax due.

SECTION _____. Section 26.112(a), Tax Code, is amended to read as follows:

(a) Except as provided by Section 26.10(b), if at any time during a tax year property is owned by an individual who qualifies for an exemption under Section 11.13(c) or (d), the amount of the tax due on the property for the tax year is calculated as if the person qualified for the exemption on January 1 and continued to qualify for the exemption for the remainder of the tax year. If the individual acquired the property in that tax year, the amount of the tax due on the property is calculated as if the person qualified on January 1 for each exemption for which the individual qualifies the property in that tax year under Section 11.13 and continued to qualify for each exemption for the remainder of the tax year.