

AN ACT

relating to an exemption from the sales and use tax for property used in agricultural operations and for aircraft used in connection with agriculture.

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

SECTION 1. Section 151.316(a), Tax Code, is amended to read as follows:

(a) The following items are exempted from the taxes imposed by this chapter:

(1) horses, mules, and work animals;

(2) animal life the products of which ordinarily constitute food for human consumption;

(3) feed for farm and ranch animals;

(4) feed for animals that are held for sale in the regular course of business;

(5) seeds and annual plants the products of which:

(A) ordinarily constitute food for human consumption;

(B) are to be sold in the regular course of business; or

(C) are used to produce feed for animals exempted by this section;

(6) fertilizers, fungicides, insecticides, herbicides, defoliants, and desiccants exclusively used or

1 employed on a farm or ranch in the production of:

2 (A) food for human consumption;

3 (B) feed for animal life; or

4 (C) other agricultural products to be sold in the
5 regular course of business;

6 (7) machinery and equipment exclusively used or
7 employed on a farm or ranch in the building or maintaining of roads
8 or water facilities or in the production of:

9 (A) food for human consumption;

10 (B) grass;

11 (C) feed for animal life; or

12 (D) other agricultural products to be sold in the
13 regular course of business;

14 (8) machinery and equipment exclusively used in, and
15 pollution control equipment required as a result of, the
16 processing, packing, or marketing of agricultural products by an
17 original producer at a location operated by the original producer
18 for processing, packing, or marketing the producer's own products
19 if:

20 (A) 50 percent or more of the products processed,
21 packed, or marketed at or from the location are produced by the
22 original producer and not purchased or acquired from others; and

23 (B) the producer does not process, pack, or
24 market for consideration any agricultural products that belong to
25 other persons in an amount greater than five percent of the total
26 agricultural products processed, packed, or marketed by the
27 producer; [~~and~~]

1 (9) ice exclusively used by commercial fishing boats
2 in the storing of aquatic species including but not limited to
3 shrimp, other crustaceans, finfish, mollusks, and other similar
4 creatures;

5 (10) tangible personal property, including a tire,
6 sold or used to be installed as a component part of a motor vehicle,
7 machinery, or other equipment exclusively used or employed on a
8 farm or ranch in the building or maintaining of roads or water
9 facilities or in the production of:

10 (A) food for human consumption;

11 (B) grass;

12 (C) feed for animal life; or

13 (D) other agricultural products to be sold in the
14 regular course of business;

15 (11) machinery and equipment exclusively used in an
16 agricultural aircraft operation, as defined by 14 C.F.R. Section
17 137.3; and

18 (12) tangible personal property incorporated into a
19 structure that is used for the disposal of poultry carcasses in
20 accordance with Section 26.303, Water Code.

21 SECTION 2. The change in law made by this Act by the
22 amendment of Section 151.316(a), Tax Code, does not affect tax
23 liability accruing before the effective date of this Act. That
24 liability continues in effect as if this Act had not been enacted,
25 and the former law is continued in effect for the collection of
26 taxes due and for civil and criminal enforcement of the liability
27 for those taxes.

1 SECTION 3. This Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 3144 was passed by the House on May 6, 2009, by the following vote: Yeas 136, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3144 on May 29, 2009, by the following vote: Yeas 140, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3144 was passed by the Senate, with amendments, on May 27, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor