

By: Gonzalez Toureilles

H.B. No. 3144

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to an exemption from the sales and use tax for parts for  
3 certain machinery and equipment used in agricultural operations.

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

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

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

9 (1) horses, mules, and work animals;

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

12 (3) feed for farm and ranch animals;

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

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

16 (A) ordinarily constitute food for human  
17 consumption;

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

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

22 (6) fertilizers, fungicides, insecticides,  
23 herbicides, defoliants, and desiccants exclusively used or  
24 employed on a farm or ranch in the production of:

- 1 (A) food for human consumption;  
2 (B) feed for animal life; or  
3 (C) other agricultural products to be sold in the  
4 regular course of business;

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

- 8 (A) food for human consumption;  
9 (B) grass;  
10 (C) feed for animal life; or  
11 (D) other agricultural products to be sold in the  
12 regular course of business;

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

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

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

27 (9) ice exclusively used by commercial fishing boats

1 in the storing of aquatic species including but not limited to  
2 shrimp, other crustaceans, finfish, mollusks, and other similar  
3 creatures; and

4 (10) tangible personal property, including a tire,  
5 sold or used to be installed as a component part of a motor vehicle,  
6 machinery, or other equipment exclusively used or employed on a  
7 farm or ranch in the building or maintaining of roads or water  
8 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 SECTION 2. The change in law made by this Act does not  
15 affect tax liability accruing before the effective date of this  
16 Act. That liability continues in effect as if this Act had not been  
17 enacted, and the former law is continued in effect for the  
18 collection of taxes due and for civil and criminal enforcement of  
19 the liability for those taxes.

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