

1-1 By: Gonzalez Toureilles (Senate Sponsor - Seliger) H.B. No. 3144
1-2 (In the Senate - Received from the House May 7, 2009;
1-3 May 8, 2009, read first time and referred to Committee on Finance;
1-4 May 26, 2009, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 14, Nays 0; May 26, 2009,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 3144 By: Seliger

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to an exemption from the sales and use tax for property
1-11 used in agricultural operations and for aircraft used in connection
1-12 with agriculture.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 151.316(a), Tax Code, is amended to
1-15 read as follows:

1-16 (a) The following items are exempted from the taxes imposed
1-17 by this chapter:

1-18 (1) horses, mules, and work animals;

1-19 (2) animal life the products of which ordinarily
1-20 constitute food for human consumption;

1-21 (3) feed for farm and ranch animals;

1-22 (4) feed for animals that are held for sale in the
1-23 regular course of business;

1-24 (5) seeds and annual plants the products of which:

1-25 (A) ordinarily constitute food for human
1-26 consumption;

1-27 (B) are to be sold in the regular course of
1-28 business; or

1-29 (C) are used to produce feed for animals exempted
1-30 by this section;

1-31 (6) fertilizers, fungicides, insecticides,
1-32 herbicides, defoliant, and desiccants exclusively used or
1-33 employed on a farm or ranch in the production of:

1-34 (A) food for human consumption;

1-35 (B) feed for animal life; or

1-36 (C) other agricultural products to be sold in the
1-37 regular course of business;

1-38 (7) machinery and equipment exclusively used or
1-39 employed on a farm or ranch in the building or maintaining of roads
1-40 or water facilities or in the production of:

1-41 (A) food for human consumption;

1-42 (B) grass;

1-43 (C) feed for animal life; or

1-44 (D) other agricultural products to be sold in the
1-45 regular course of business;

1-46 (8) machinery and equipment exclusively used in, and
1-47 pollution control equipment required as a result of, the
1-48 processing, packing, or marketing of agricultural products by an
1-49 original producer at a location operated by the original producer
1-50 for processing, packing, or marketing the producer's own products
1-51 if:

1-52 (A) 50 percent or more of the products processed,
1-53 packed, or marketed at or from the location are produced by the
1-54 original producer and not purchased or acquired from others; and

1-55 (B) the producer does not process, pack, or
1-56 market for consideration any agricultural products that belong to
1-57 other persons in an amount greater than five percent of the total
1-58 agricultural products processed, packed, or marketed by the
1-59 producer; ~~and~~

1-60 (9) ice exclusively used by commercial fishing boats
1-61 in the storing of aquatic species including but not limited to
1-62 shrimp, other crustaceans, finfish, mollusks, and other similar
1-63 creatures;

