

By: King of Parker

H.B. No. 4496

A BILL TO BE ENTITLED

AN ACT

relating to the ad valorem tax situs of certain portable drilling rigs and associated equipment.

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

SECTION 1. Section 21.02(a), Tax Code, is amended to read as follows:

(a) Except as provided by Subsection [~~Subsections~~] (b) [~~and (e)~~] and by Sections 21.021, 21.022, 21.04, and 21.05, tangible personal property is taxable by a taxing unit if:

(1) it is located in the unit on January 1 for more than a temporary period;

(2) it normally is located in the unit, even though it is outside the unit on January 1, if it is outside the unit only temporarily;

(3) it normally is returned to the unit between uses elsewhere and is not located in any one place for more than a temporary period; or

(4) the owner resides (for property not used for business purposes) or maintains the owner's principal place of business in this state (for property used for business purposes) in the unit and the property is taxable in this state but does not have a taxable situs pursuant to Subdivisions (1) through (3) [~~of this subsection~~].

SECTION 2. Chapter 21, Tax Code, is amended by adding

1 Section 21.022 to read as follows:

2 Sec. 21.022. PORTABLE DRILLING RIGS. (a) In this section,
3 "portable drilling rig" includes equipment associated with the
4 drilling rig.

5 (b) Except as provided by Subsection (c), a portable
6 drilling rig designed for land-based oil or gas drilling or
7 exploration operations is taxable by each taxing unit in which the
8 rig is located on January 1.

9 (c) If a portable drilling rig is in transport on January 1,
10 the portable drilling rig has taxable situs at the location where
11 the drilling rig was loaded for transport.

12 (d) The comptroller shall adopt rules and forms to implement
13 and administer this section.

14 SECTION 3. Section 21.02(e), Tax Code, is repealed.

15 SECTION 4. This Act applies only to a tax year that begins
16 on or after the effective date of this Act.

17 SECTION 5. This Act takes effect January 1, 2010.