

A BILL TO BE ENTITLED

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

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

5 SECTION 1. Subsection (a), Section 151.316, Tax Code, is
6 amended to read 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) machinery and equipment exclusively used in an
5 agricultural aircraft operation, as defined by 14 C.F.R. Section
6 137.3.

7 SECTION 2. The change in law made by this Act does not
8 affect tax liability accruing before the effective date of this
9 Act. That liability continues in effect as if this Act had not been
10 enacted, and the former law is continued in effect for the
11 collection of taxes due and for civil and criminal enforcement of
12 the liability for those taxes.

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