

1-1 By: Hegar S.B. No. 958  
1-2 (In the Senate - Filed February 19, 2009; March 9, 2009,  
1-3 read first time and referred to Committee on Finance; May 4, 2009,  
1-4 reported favorably by the following vote: Yeas 12, Nays 0;  
1-5 May 4, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to an exemption from the sales and use tax for machinery  
1-9 and equipment used in an agricultural aircraft operation.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subsection (a), Section 151.316, Tax Code, is  
1-12 amended to read as follows:

1-13 (a) The following items are exempted from the taxes imposed  
1-14 by this chapter:

1-15 (1) horses, mules, and work animals;

1-16 (2) animal life the products of which ordinarily  
1-17 constitute food for human consumption;

1-18 (3) feed for farm and ranch animals;

1-19 (4) feed for animals that are held for sale in the  
1-20 regular course of business;

1-21 (5) seeds and annual plants the products of which:

1-22 (A) ordinarily constitute food for human  
1-23 consumption;

1-24 (B) are to be sold in the regular course of  
1-25 business; or

1-26 (C) are used to produce feed for animals exempted  
1-27 by this section;

1-28 (6) fertilizers, fungicides, insecticides,  
1-29 herbicides, defoliants, and desiccants exclusively used or  
1-30 employed on a farm or ranch in the production of:

1-31 (A) food for human consumption;

1-32 (B) feed for animal life; or

1-33 (C) other agricultural products to be sold in the  
1-34 regular course of business;

1-35 (7) machinery and equipment exclusively used or  
1-36 employed on a farm or ranch in the building or maintaining of roads  
1-37 or water facilities or in the production of:

1-38 (A) food for human consumption;

1-39 (B) grass;

1-40 (C) feed for animal life; or

1-41 (D) other agricultural products to be sold in the  
1-42 regular course of business;

1-43 (8) machinery and equipment exclusively used in, and  
1-44 pollution control equipment required as a result of, the  
1-45 processing, packing, or marketing of agricultural products by an  
1-46 original producer at a location operated by the original producer  
1-47 for processing, packing, or marketing the producer's own products  
1-48 if:

1-49 (A) 50 percent or more of the products processed,  
1-50 packed, or marketed at or from the location are produced by the  
1-51 original producer and not purchased or acquired from others; and

1-52 (B) the producer does not process, pack, or  
1-53 market for consideration any agricultural products that belong to  
1-54 other persons in an amount greater than five percent of the total  
1-55 agricultural products processed, packed, or marketed by the  
1-56 producer; ~~and~~

1-57 (9) ice exclusively used by commercial fishing boats  
1-58 in the storing of aquatic species including but not limited to  
1-59 shrimp, other crustaceans, finfish, mollusks, and other similar  
1-60 creatures; and

1-61 (10) machinery and equipment exclusively used in an  
1-62 agricultural aircraft operation, as defined by 14 C.F.R. Section  
1-63 137.3.

1-64 SECTION 2. The change in law made by this Act does not

2-1 affect tax liability accruing before the effective date of this  
2-2 Act. That liability continues in effect as if this Act had not been  
2-3 enacted, and the former law is continued in effect for the  
2-4 collection of taxes due and for civil and criminal enforcement of  
2-5 the liability for those taxes.

2-6 SECTION 3. This Act takes effect September 1, 2009.

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