

By: Wentworth

S.B. No. 2139

A BILL TO BE ENTITLED

AN ACT

1
2 relating to allowing persons acquiring a new residence homestead to
3 receive an ad valorem tax exemption on the homestead in the year in
4 which the property is acquired.

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

6 SECTION 1. Section 11.42, Tax Code, is amended by amending
7 Subsection (c) and adding Subsection (c-1) to read as follows:

8 (c) An exemption authorized by Section 11.13(c) or (d) is
9 effective as of January 1 of the tax year in which the person
10 qualifies for the exemption and applies to the entire tax year. If
11 the individual acquired the property in that tax year, each other
12 exemption authorized by Section 11.13 for which the individual
13 qualifies the property in that tax year is also effective as of
14 January 1 of the tax year and applies to the entire tax year.

15 (c-1) Except as provided by Subsection (c), if an individual
16 acquires a property after January 1 of a tax year and qualifies the
17 property during that tax year for one or more exemptions under
18 Section 11.13, but the individual does not qualify for an exemption
19 under Section 11.13(c) or (d) for an individual 65 years of age or
20 older, and the property did not previously qualify for any
21 exemption under Section 11.13 for any portion of the tax year in
22 which the property was acquired, the individual may receive the
23 exemptions for which the individual qualifies for the portion of
24 that tax year for which the individual qualifies for the exemptions

1 immediately on qualification for the exemptions.

2 SECTION 2. Section 26.10, Tax Code, is amended by adding
3 Subsection (c) to read as follows:

4 (c) This section does not affect a residence homestead
5 exemption other than an exemption under Section 11.13(c) or (d) for
6 an individual 65 years of age or older, and for purposes of
7 Subsection (b)(1)(B) the taxes shall be calculated taking into
8 account any residence homestead exemption applicable to the
9 property other than an exemption under Section 11.13(c) or (d) for
10 an individual 65 years of age or older.

11 SECTION 3. Chapter 26, Tax Code, is amended by adding
12 Section 26.1115 to read as follows:

13 Sec. 26.1115. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD
14 GENERALLY. (a) If an individual receives one or more exemptions
15 under Section 11.13, other than an exemption under Section 11.13(c)
16 or (d) for an individual 65 years of age or older, for a portion of a
17 tax year as provided by Section 11.42(c-1), except as provided by
18 Subsection (b) the amount of tax due on the property for that year
19 is calculated by:

20 (1) subtracting:

21 (A) the amount of the taxes that otherwise would
22 be imposed on the property for the entire year had the individual
23 qualified for the exemptions for the entire year; from

24 (B) the amount of the taxes that otherwise would
25 be imposed on the property for the entire year had the individual
26 not qualified for the exemptions during the year;

27 (2) multiplying the remainder determined under

1 Subdivision (1) by a fraction, the denominator of which is 365 and
2 the numerator of which is the number of days in that year that
3 elapsed before the date the individual first qualified the property
4 for the exemptions; and

5 (3) adding the product determined under Subdivision
6 (2) and the amount described by Subdivision (1)(A).

7 (b) If an individual receives one or more exemptions to
8 which Subsection (a) applies for a portion of a tax year as provided
9 by Section 11.42(c-1) and the exemptions terminate during the year
10 in which the individual acquired the property, the amount of tax due
11 on the property for that year is calculated by:

12 (1) subtracting:

13 (A) the amount of the taxes that otherwise would
14 be imposed on the property for the entire year had the individual
15 qualified for the exemptions for the entire year; from

16 (B) the amount of the taxes that otherwise would
17 be imposed on the property for the entire year had the individual
18 not qualified for the exemptions during the year;

19 (2) multiplying the remainder determined under
20 Subdivision (1) by a fraction, the denominator of which is 365 and
21 the numerator of which is the sum of:

22 (A) the number of days in that year that elapsed
23 before the date the individual first qualified the property for the
24 exemptions; and

25 (B) the number of days in that year that elapsed
26 after the date the exemptions terminated; and

27 (3) adding the product determined under Subdivision

1 (2) and the amount described by Subdivision (1)(A).

2 (c) If an individual qualifies to receive an exemption as
3 described by Subsection (a) with respect to a property after the
4 amount of tax due on the property is calculated and if the effect of
5 the qualification is to reduce the amount of tax due on the
6 property, the assessor for each taxing unit shall recalculate the
7 amount of the tax due on the property and correct the tax roll. If
8 the tax bill has been mailed and the tax on the property has not been
9 paid, the assessor shall mail a corrected tax bill to the person in
10 whose name the property is listed on the tax roll or to the person's
11 authorized agent. If the tax on the property has been paid, the
12 collector for the taxing unit shall refund to the person who paid
13 the tax the amount by which the payment exceeded the tax due.

14 SECTION 4. Section 26.112(a), Tax Code, is amended to read
15 as follows:

16 (a) Except as provided by Section 26.10(b), if at any time
17 during a tax year property is owned by an individual who qualifies
18 for an exemption under Section 11.13(c) or (d), the amount of the
19 tax due on the property for the tax year is calculated as if the
20 person qualified for the exemption on January 1 and continued to
21 qualify for the exemption for the remainder of the tax year. If the
22 individual acquired the property in that tax year, the amount of the
23 tax due on the property is calculated as if the person qualified on
24 January 1 for each exemption for which the individual qualifies the
25 property in that tax year under Section 11.13 and continued to
26 qualify for each exemption for the remainder of the tax year.

27 SECTION 5. This Act takes effect January 1, 2010, and

S.B. No. 2139

1 applies only to a residence homestead acquired on or after that
2 date.