

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 5, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB4070 by Gonzalez Toureilles (Relating to an exemption from ad valorem taxation of airplanes and helicopters used exclusively in agricultural operations.), **As Introduced**

Depending on the number and value of airplanes and helicopters used in agricultural operations, as well as the extent of their use, there could be an indeterminate amount of revenue gain.

The bill would amend Chapter 11 of the Tax Code, to require that airplanes and helicopters used exclusively in agricultural operations be considered implements of husbandry for the purpose of the property tax exemption for implements of husbandry.

Section 11.161 of the Tax Code exempts from the property tax implements of husbandry, defined as machinery and equipment items that are used in the production of farm or ranch products or of timber. The bill's added language would clarify that helicopters and airplanes used exclusively in agricultural operations are implements of husbandry. The bill's requirement that the use be exclusive is stricter than the current language in the law, which creates the possibility that fewer airplanes and helicopters would be claimed for property tax exemptions and thus could result in a possible revenue gain.

The bill would take effect January 1, 2010.

Local Government Impact

There could be a indeterminate amount of revenue gain to units of local government.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, SD, KK