

BILL ANALYSIS

C.S.H.B. 469
By: Callegari
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Recent legislation approved a property tax exemption on the total appraised value of the residence homestead of a 100 percent or totally disabled veteran. To qualify, an eligible individual must own his or her residence homestead on January 1. This means that if a qualified veteran were to sell his or her residence and purchase a new one during a given year, the property tax exemption would not carry forward to that new homestead. The disabled veteran would have to pay the property taxes for the new home for that year even though he or she would qualify for the exemption in the following tax year. The new owner of the disabled veteran's old home, however, would receive the complete property tax exemption even though that individual might not be a 100 percent or totally disabled veteran.

C.S.H.B. 469 seeks to allow a 100 percent or totally disabled veteran's property tax exemption to move with the veteran by allowing a qualifying disabled veteran who sells a home and purchases a new one to continue to use the property tax exemption for the duration of the year.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 469 amends the Tax Code to authorize a person who qualifies for a residence homestead exemption from property taxes for a 100 percent or totally disabled veteran after January 1 of a tax year to receive the exemption for the applicable portion of that tax year immediately on qualification for the exemption.

C.S.H.B. 469 establishes that, if the appraisal roll shows that a residence homestead exemption from property taxes for a 100 percent or totally disabled veteran applicable to a property on January 1 of a year terminated during the year, the tax due against the residence homestead is prorated according to a certain formula.

C.S.H.B. 469 establishes that, if a person qualifies for a residence homestead exemption from property taxes for a 100 percent or totally disabled veteran after the beginning of a tax year, the amount of tax due on the property for the tax year is prorated according to a certain formula. The bill requires the assessor for each taxing unit, if a person qualifies for such an exemption with respect to the property after the amount of the tax due on the property is calculated and the effect of the qualification is to reduce the amount of the tax due on the property, to recalculate the amount of the tax due on the property and correct the tax roll or, if the tax bill has been mailed and the tax on the property has not been paid, to mail a corrected tax bill to the person in whose name the property is listed on the tax roll or to the person's authorized agent. The bill requires the tax collector for the taxing unit, if the tax on the property has been paid, to refund to the person who paid the tax the amount by which the payment exceeded the tax due.

EFFECTIVE DATE

January 1, 2012.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 469 differs from the original by authorizing a person who qualifies for a residence homestead exemption from property taxes for a 100 percent or totally disabled veteran after January 1 of a tax year to receive the exemption for the applicable portion of that tax year immediately on qualification for the exemption, whereas the original makes such an exemption effective January 1 of the tax year in which the person qualifies for the exemption and applicable to the entire tax year.

C.S.H.B. 469 omits a provision included in the original making the establishment of a formula for prorating the tax due against a former residence homestead, if a residence homestead exemption from property taxes for a 100 percent or totally disabled veteran applicable to a property on January 1 of a year terminated during the year, conditional on the property owner also qualifying a different property for such an exemption during the same year.

C.S.H.B. 469 differs from the original by establishing that, if a person qualifies for a residence homestead exemption from property taxes for a 100 percent or totally disabled veteran after the beginning of a tax year, the amount of tax due on the property for the year is prorated according to a certain formula, whereas the original establishes the amount of tax due on such property is calculated as if the individual qualified for the exemption on January 1 and continued to qualify for the exemption for the remainder of the tax year. The substitute differs from the original in nonsubstantive ways by setting out its provisions as new language, whereas the original incorporates its changes into existing language.