

BILL ANALYSIS

S.B. 201
By: Uresti
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In 2009 the 81st Legislature approved a property tax exemption for 100 percent or totally disabled veterans that exempts the total appraised value of a veteran's residence homestead from taxation. An eligible individual must own their residence homestead on 1 January in order to qualify for this exemption. If a qualified veteran were to sell their residence and purchase a new one during a given year, the property tax exemption does not carry forward to that new homestead; the disabled veteran must pay the property taxes for their new home for that year even though they will qualify for a property tax exemption in the following tax year. The new owner of the disabled veteran's old home, however, may enjoy the complete property tax exemption even though that individual may not be a 100 percent or totally disabled veteran.

SB 201 allows a 100 percent or totally disabled veteran's property tax exemption to move with the veteran. The bill would allow a qualifying disabled veteran that sells their old home and purchases a new one to continue to use their property tax exemption for the duration of the year. SB 201 would also require that the new owner of the qualifying veteran's former residence pay the property taxes due for that residence for the portion of the year that the owner occupies that home.

RULEMAKING AUTHORITY

SB 201 does not expressly delegate rulemaking authority to any state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends §11.42, Tax Code, to provide that a person who qualifies for the 100 percent or totally disabled residence homestead exemption after 1 January of a tax year may receive the exemption for the applicable portion of that tax year immediately on qualification for that exemption.

SECTION 2. Amends §26.10, Tax Code, to provide that if a 100 percent or totally disabled veteran's homestead exemption for a property ends during a given year, the amount of tax due for that property shall be calculated by multiplying the amount of annual taxes due for the property if the owner did not qualify for the disabled veteran's exemption by the proportion of the number of days in the year in which the property did not qualify for the exemption.

SECTION 3. Adds §26.1125, Tax Code, to provide that if a person qualifies for a 100 percent or totally disabled veteran's homestead exemption for their property after 1 January, then the amount of tax due for that property shall be calculated by multiplying the amount of annual taxes due for the property if the owner did not qualify for the disabled veteran's exemption by the proportion of the number of days in the year in which the property did not qualify for the exemption. The bill requires that a taxing unit's tax assessor recalculate the amount of tax due for a property if that property's owner qualifies for the 100 percent or totally disabled veteran's homestead exemption after the property's taxes are calculated, and correct the applicable tax roll. The bill requires that the assessor mail a corrected tax bill to the applicable taxpayer if the previous tax bill has been mailed and not paid. The bill requires that if the property taxes have been paid before the property's owner qualified for the 100 percent or totally disabled veteran's homestead exemption, then the tax collector shall refund to the person who paid the tax the amount by which the payment exceeded the tax due.

SECTION 4. Transition language providing that the changes made by the bill apply to the tax year beginning on or after 1 January 2012.

SECTION 5. 1 January 2012 effective date.

EFFECTIVE DATE

1 January 2012.