

By: Miller of Erath

H.B. No. 2810

A BILL TO BE ENTITLED

1 AN ACT
2 relating to an exemption from the sales and use tax for tangible
3 personal property incorporated into or attached to certain
4 agricultural structures.

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

6 SECTION 1. Section 151.316(a), Tax Code, as amended by
7 Chapters 1162 (H.B. 3144) and 1373 (S.B. 958), Acts of the 81st
8 Legislature, Regular Session, 2009, is reenacted and amended to
9 read as follows:

10 (a) The following items are exempted from the taxes imposed
11 by this chapter:

- 12 (1) horses, mules, and work animals;
- 13 (2) animal life the products of which ordinarily
14 constitute food for human consumption;
- 15 (3) feed for farm and ranch animals;
- 16 (4) feed for animals that are held for sale in the
17 regular course of business;
- 18 (5) seeds and annual plants the products of which:
- 19 (A) ordinarily constitute food for human
20 consumption;
- 21 (B) are to be sold in the regular course of
22 business; or
- 23 (C) are used to produce feed for animals exempted
24 by this section;

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

- 4 (A) food for human consumption;
5 (B) feed for animal life; or
6 (C) other agricultural products to be sold in the
7 regular course of business;

8 (7) machinery and equipment exclusively used or
9 employed on a farm or ranch in the building or maintaining of roads
10 or water facilities or in the production of:

- 11 (A) food for human consumption;
12 (B) grass;
13 (C) feed for animal life; or
14 (D) other agricultural products to be sold in the
15 regular course of business;

16 (8) machinery and equipment exclusively used in, and
17 pollution control equipment required as a result of, the
18 processing, packing, or marketing of agricultural products by an
19 original producer at a location operated by the original producer
20 for processing, packing, or marketing the producer's own products
21 if:

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

25 (B) the producer does not process, pack, or
26 market for consideration any agricultural products that belong to
27 other persons in an amount greater than five percent of the total

1 agricultural products processed, packed, or marketed by the
2 producer;

3 (9) ice exclusively used by commercial fishing boats
4 in the storing of aquatic species including but not limited to
5 shrimp, other crustaceans, finfish, mollusks, and other similar
6 creatures;

7 (10) tangible personal property, including a tire,
8 sold or used to be installed as a component part of a motor vehicle,
9 machinery, or other equipment exclusively used or employed on a
10 farm or ranch in the building or maintaining of roads or water
11 facilities or in the production of:

- 12 (A) food for human consumption;
13 (B) grass;
14 (C) feed for animal life; or
15 (D) other agricultural products to be sold in the
16 regular course of business;

17 (11) machinery and equipment exclusively used in an
18 agricultural aircraft operation, as defined by 14 C.F.R. Section
19 137.3; ~~and~~

20 (12) tangible personal property incorporated into a
21 structure that is used for the disposal of poultry carcasses in
22 accordance with Section 26.303, Water Code; and

23 (13) tangible personal property incorporated into or
24 attached to a structure that is located on a commercial dairy farm,
25 is used or employed exclusively for the production of milk, and is:

- 26 (A) a free-stall dairy barn;
27 (B) a dairy structure used solely for maternity

1 purposes; or

2 (C) a dairy commodity structure used as a batch
3 plant to measure, mix, and process finished feed for dairy cows.

4 SECTION 2. The change in law made by this Act does not
5 affect tax liability accruing before the effective date of this
6 Act. That liability continues in effect as if this Act had not been
7 enacted, and the former law is continued in effect for the
8 collection of taxes due and for civil and criminal enforcement of
9 the liability for those taxes.

10 SECTION 3. To the extent of any conflict, this Act prevails
11 over another Act of the 82nd Legislature, Regular Session, 2011,
12 relating to nonsubstantive additions to and corrections in enacted
13 codes.

14 SECTION 4. This Act takes effect September 1, 2011.