

By: Miller of Erath

H.B. No. 2810

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from limited sales, excise and use
taxation of tangible personal property incorporated into or
attached to certain specific purpose agricultural structures.

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

SECTION 1. Section 151.316(a), Tax Code, is amended as
follows:

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

(1) horses, mules, and work animals;

(2) animal life, the products of which ordinarily
constitute food for human consumption;

(3) feed for farm and ranch animals;

(4) feed for animals that are held for sale in the
regular course of business;

(5) seeds and annual plants the products of which:

(A) ordinarily constitute food for human
consumption;

(B) are to be sold in the regular course of
business; or

(C) are used to produce feed for animals exempted
by this section;

(6) fertilizers, fungicides, insecticides,
herbicides, defoliants, and desiccants exclusively used or

1 employed on a farm or ranch in the production of:

2 (A) food for human consumption;

3 (B) feed for animal life; or

4 (C) other agricultural products to be sold in the
5 regular course of business;

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

9 (A) food for human consumption;

10 (B) grass;

11 (C) feed for animal life; or

12 (D) other agricultural products to be sold in the
13 regular course of business;

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

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

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

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

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

10 (A) food for human consumption;

11 (B) grass;

12 (C) feed for animal life; or

13 (D) other agricultural products to be sold in the
14 regular course of business;

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

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

21 (13) tangible personal property incorporated into or
22 attached to a commercial dairy free stall barn, a commercial dairy
23 structure used solely for maternity purposes, or a commodity
24 structure used as batch plants to measure, mix and process finished
25 feed for dairy cows.

26 SECTION 2. The change in law made by this Act by the
27 amendment of Section 151.316(a), Tax Code, does not affect tax

1 liability accruing before the effective date of this Act. That
2 liability continues in effect as if this Act had not been enacted,
3 and the former law is continued in effect for the collection of
4 taxes due and for civil and criminal enforcement of the liability
5 for those taxes. This Act shall not, however, be cited or utilized
6 for the purpose of asserting that the changes made by this Act
7 indicate that a tax liability was properly accrued for any prior
8 period.

9 SECTION 3. This Act takes effect September 1, 2011.