

1-1 By: Miller of Erath (Senate Sponsor - Estes) H.B. No. 2810
1-2 (In the Senate - Received from the House May 6, 2011;
1-3 May 9, 2011, read first time and referred to Committee on Finance;
1-4 May 20, 2011, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 10, Nays 0; May 20, 2011,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2810 By: Estes

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to an exemption from the sales and use tax for tangible
1-11 personal property incorporated into or attached to certain
1-12 agricultural structures.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 151.316(a), Tax Code, as amended by
1-15 Chapters 1162 (H.B. 3144) and 1373 (S.B. 958), Acts of the 81st
1-16 Legislature, Regular Session, 2009, is reenacted and amended to
1-17 read as follows:

1-18 (a) The following items are exempted from the taxes imposed
1-19 by this chapter:

1-20 (1) horses, mules, and work animals;

1-21 (2) animal life the products of which ordinarily
1-22 constitute food for human consumption;

1-23 (3) feed for farm and ranch animals;

1-24 (4) feed for animals that are held for sale in the
1-25 regular course of business;

1-26 (5) seeds and annual plants the products of which:

1-27 (A) ordinarily constitute food for human
1-28 consumption;

1-29 (B) are to be sold in the regular course of
1-30 business; or

1-31 (C) are used to produce feed for animals exempted
1-32 by this section;

1-33 (6) fertilizers, fungicides, insecticides,
1-34 herbicides, defoliants, and desiccants exclusively used or
1-35 employed on a farm or ranch in the production of:

1-36 (A) food for human consumption;

1-37 (B) feed for animal life; or

1-38 (C) other agricultural products to be sold in the
1-39 regular course of business;

1-40 (7) machinery and equipment exclusively used or
1-41 employed on a farm or ranch in the building or maintaining of roads
1-42 or water facilities or in the production of:

1-43 (A) food for human consumption;

1-44 (B) grass;

1-45 (C) feed for animal life; or

1-46 (D) other agricultural products to be sold in the
1-47 regular course of business;

1-48 (8) machinery and equipment exclusively used in, and
1-49 pollution control equipment required as a result of, the
1-50 processing, packing, or marketing of agricultural products by an
1-51 original producer at a location operated by the original producer
1-52 for processing, packing, or marketing the producer's own products
1-53 if:

1-54 (A) 50 percent or more of the products processed,
1-55 packed, or marketed at or from the location are produced by the
1-56 original producer and not purchased or acquired from others; and

1-57 (B) the producer does not process, pack, or
1-58 market for consideration any agricultural products that belong to
1-59 other persons in an amount greater than five percent of the total
1-60 agricultural products processed, packed, or marketed by the
1-61 producer;

1-62 (9) ice exclusively used by commercial fishing boats
1-63 in the storing of aquatic species including but not limited to

2-1 shrimp, other crustaceans, finfish, mollusks, and other similar
2-2 creatures;

2-3 (10) tangible personal property, including a tire,
2-4 sold or used to be installed as a component part of a motor vehicle,
2-5 machinery, or other equipment exclusively used or employed on a
2-6 farm or ranch in the building or maintaining of roads or water
2-7 facilities or in the production of:

2-8 (A) food for human consumption;
2-9 (B) grass;
2-10 (C) feed for animal life; or
2-11 (D) other agricultural products to be sold in the
2-12 regular course of business;

2-13 (11) machinery and equipment exclusively used in an
2-14 agricultural aircraft operation, as defined by 14 C.F.R. Section
2-15 137.3; ~~and~~

2-16 (12) tangible personal property incorporated into a
2-17 structure that is used for the disposal of poultry carcasses in
2-18 accordance with Section 26.303, Water Code; and

2-19 (13) tangible personal property incorporated into or
2-20 attached to a structure that is located on a commercial dairy farm,
2-21 is used or employed exclusively for the production of milk, and is:

2-22 (A) a free-stall dairy barn; or
2-23 (B) a dairy structure used solely for maternity
2-24 purposes.

2-25 SECTION 2. The change in law made by this Act does not
2-26 affect tax liability accruing before the effective date of this
2-27 Act. That liability continues in effect as if this Act had not been
2-28 enacted, and the former law is continued in effect for the
2-29 collection of taxes due and for civil and criminal enforcement of
2-30 the liability for those taxes.

2-31 SECTION 3. To the extent of any conflict, this Act prevails
2-32 over another Act of the 82nd Legislature, Regular Session, 2011,
2-33 relating to nonsubstantive additions to and corrections in enacted
2-34 codes.

2-35 SECTION 4. This Act takes effect September 1, 2011.

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