

BILL ANALYSIS

Senate Research Center
83R423 CJC-F

H.B. 1348
By: Menéndez et al. (Uresti)
Finance
5/7/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that current law does not adequately address the taxable status of manufactured aircraft brought into Texas for final fittings, customization, or preparation for delivery. H.B. 1348 seeks to clarify the status of such aircraft and certain related tangible personal property located inside a defense base development authority.

H.B. 1348 amends current law relating to the taxation of certain tangible personal property located inside a defense base development authority.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 379B.011, Local Government Code, by adding Subsections (c), (d), and (e), as follows:

(c) Provides that a commercial aircraft to be used as an instrumentality of commerce that is under construction inside a defense base development authority (authority) is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 (Real and Tangible Personal Property) and 21.02 (Tangible Personal Property Generally), Tax Code.

(d) Provides that tangible personal property located inside the authority is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02, Tax Code, if the owner demonstrates to the chief appraiser for the appraisal district in which the authority is located that the owner intends to incorporate the property into or attach the property to a commercial aircraft described by Subsection (c).

(e) Defines, in this section, "commercial aircraft."

SECTION 2. Provides that the change in law made by this Act applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2014.