

By: Paxton

S.B. No. 520

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to allowing persons acquiring a new residence homestead to  
3 receive an ad valorem tax exemption on the homestead in the year in  
4 which the property is acquired.

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

6 SECTION 1. Section 11.42, Tax Code, is amended by amending  
7 Subsection (c) and adding Subsection (c-1) to read as follows:

8 (c) An exemption authorized by Section 11.13(c) or (d) is  
9 effective as of January 1 of the tax year in which the individual  
10 ~~[person]~~ qualifies for the exemption and applies to the entire tax  
11 year. If the individual acquired the property in that tax year,  
12 each other exemption authorized by Section 11.13 for which the  
13 individual qualifies the property in that tax year is also  
14 effective as of January 1 of the tax year and applies to the entire  
15 tax year.

16 (c-1) If an individual acquires a property after January 1  
17 of a tax year and qualifies the property during that tax year for  
18 one or more exemptions under Section 11.13, but the individual does  
19 not qualify for an exemption under Section 11.13(c) or (d) for any  
20 portion of that tax year and the property did not previously qualify  
21 for any exemption under Section 11.13 for any portion of that tax  
22 year, the individual may receive the exemptions for which the  
23 individual qualifies for the portion of that tax year for which the  
24 individual qualifies for the exemptions immediately on

1 qualification for the exemptions.

2 SECTION 2. Section 26.10(b), Tax Code, is amended to read as  
3 follows:

4 (b) If the appraisal roll shows that a residence homestead  
5 exemption for an individual 65 years of age or older or a residence  
6 homestead exemption for a disabled individual applicable to a  
7 property on January 1 of a year terminated during the year and if  
8 the owner qualifies a different property for one of those residence  
9 homestead exemptions during the same year, the tax due against the  
10 former residence homestead is calculated by:

11 (1) subtracting:

12 (A) the amount of the taxes that otherwise would  
13 be imposed on the former residence homestead for the entire year had  
14 the individual qualified the property for each [~~the~~] residence  
15 homestead exemption the individual received on that property for  
16 the entire year; from

17 (B) the amount of the taxes that otherwise would  
18 be imposed on the former residence homestead for the entire year had  
19 the individual not qualified for any [~~the~~] residence homestead  
20 exemption on the property during the year;

21 (2) multiplying the remainder determined under  
22 Subdivision (1) by a fraction, the denominator of which is 365 and  
23 the numerator of which is the number of days that elapsed after the  
24 date the exemption terminated; and

25 (3) adding the product determined under Subdivision  
26 (2) and the amount described by Subdivision (1)(A).

27 SECTION 3. Chapter 26, Tax Code, is amended by adding

1 Section 26.1115 to read as follows:

2 Sec. 26.1115. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD  
3 GENERALLY. (a) If an individual receives one or more exemptions  
4 under Section 11.13 for a portion of a tax year as provided by  
5 Section 11.42(c-1), except as provided by Subsection (b), the  
6 amount of tax due on the property for that year is calculated by:

7 (1) subtracting:

8 (A) the amount of the taxes that otherwise would  
9 be imposed on the property for the entire year had the individual  
10 qualified for the exemptions for the entire year; from

11 (B) the amount of the taxes that otherwise would  
12 be imposed on the property for the entire year had the individual  
13 not qualified for the exemptions during the year;

14 (2) multiplying the remainder determined under  
15 Subdivision (1) by a fraction, the denominator of which is 365 and  
16 the numerator of which is the number of days in that year that  
17 elapsed before the date the individual first qualified the property  
18 for the exemptions; and

19 (3) adding the product determined under Subdivision  
20 (2) and the amount described by Subdivision (1)(A).

21 (b) If an individual receives one or more exemptions to  
22 which Subsection (a) applies for a portion of a tax year as provided  
23 by Section 11.42(c-1) and the exemptions terminate during the year  
24 in which the individual acquired the property, the amount of tax due  
25 on the property for that year is calculated by:

26 (1) subtracting:

27 (A) the amount of the taxes that otherwise would

1 be imposed on the property for the entire year had the individual  
2 qualified for the exemptions for the entire year; from

3 (B) the amount of the taxes that otherwise would  
4 be imposed on the property for the entire year had the individual  
5 not qualified for the exemptions during the year;

6 (2) multiplying the remainder determined under  
7 Subdivision (1) by a fraction, the denominator of which is 365 and  
8 the numerator of which is the sum of:

9 (A) the number of days in that year that elapsed  
10 before the date the individual first qualified the property for the  
11 exemptions; and

12 (B) the number of days in that year that elapsed  
13 after the date the exemptions terminated; and

14 (3) adding the product determined under Subdivision  
15 (2) and the amount described by Subdivision (1)(A).

16 (c) If an individual qualifies to receive an exemption as  
17 described by Subsection (a) with respect to a property after the  
18 amount of tax due on the property is calculated and if the effect of  
19 the qualification is to reduce the amount of tax due on the  
20 property, the assessor for each taxing unit shall recalculate the  
21 amount of the tax due on the property and correct the tax roll. If  
22 the tax bill has been mailed and the tax on the property has not been  
23 paid, the assessor shall mail a corrected tax bill to the individual  
24 in whose name the property is listed on the tax roll or to the  
25 individual's authorized agent. If the tax on the property has been  
26 paid, the collector for the taxing unit shall refund to the  
27 individual who paid the tax the amount by which the payment exceeded

1 the tax due.

2 SECTION 4. Section 26.112(a), Tax Code, is amended to read  
3 as follows:

4 (a) Except as provided by Section 26.10(b), if at any time  
5 during a tax year property is owned by an individual who qualifies  
6 for an exemption under Section 11.13(c) or (d), the amount of the  
7 tax due on the property for the tax year is calculated as if the  
8 individual [~~person~~] qualified for the exemption on January 1 and  
9 continued to qualify for the exemption for the remainder of the tax  
10 year. If the individual acquired the property in that tax year, the  
11 amount of the tax due on the property is calculated as if the  
12 individual qualified on January 1 for each exemption for which the  
13 individual qualifies the property in that tax year under Section  
14 11.13 and continued to qualify for each exemption for the remainder  
15 of the tax year.

16 SECTION 5. This Act applies only to a residence homestead  
17 acquired on or after the effective date of this Act.

18 SECTION 6. This Act takes effect January 1, 2014.