

BILL ANALYSIS

H.B. 3623
By: Gonzales, Larry
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, interested parties note, charitable organizations exempted from federal income tax under the federal Internal Revenue Code of 1986 are exempt from paying state property taxes. The parties suggest some of these charitable organizations are still being made to pay these taxes. H.B. 3623 seeks to include the National Hispanic Institute among the miscellaneous exemptions to emphasize its nonprofit status and ensure the tax-free status of the institute's property.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3623 amends the Tax Code to entitle the National Hispanic Institute to an exemption from taxation of the real and tangible personal property it owns as long as the organization is exempt from federal income tax under the federal Internal Revenue Code of 1986 as a charitable organization. The bill includes the exemption among the property tax exemptions that, once allowed, need not be claimed in subsequent years and apply to the property until it changes ownership or the person's qualification for the exemption changes.

EFFECTIVE DATE

January 1, 2016.