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H.B. No. 275

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the exemption from ad valorem taxation of farm
3 products.

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

5 SECTION 1. Sections 11.16(a) and (c), Tax Code, are amended
6 to read as follows:

7 (a) A producer is entitled to an exemption from taxation of
8 the farm products that the producer ~~[he]~~ produces and owns. A
9 nursery product, as defined by Section 71.041, Agriculture Code, is
10 a farm product for purposes of this section if it is in a growing
11 state. An egg, as defined by Section 132.001, Agriculture Code, is
12 a farm product for purposes of this section, regardless of whether
13 the egg is packaged.

14 (c) For purposes of this exemption, the following
15 definitions apply:

16 (1) "Farm products" include livestock, poultry, and
17 timber.

18 (2) "In the hands of the producer," for livestock,
19 ~~[and]~~ poultry, and eggs, means under the ownership of the person who
20 is financially providing for the physical requirements of such
21 livestock, ~~[and]~~ poultry, and eggs on January 1 of the tax year and,
22 for timber, means standing timber or timber that has been harvested
23 and, on January 1 of the tax year, is located on the real property on
24 which it was produced and is under the ownership of the person who

1 owned the timber when it was standing.

2 SECTION 2. This Act applies only to ad valorem taxes imposed
3 for a tax year that begins on or after the effective date of this
4 Act.

5 SECTION 3. This Act takes effect January 1, 2016.