

By: Ashby

H.B. No. 275

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

(2) "In the hands of the producer," for livestock, ~~[and]~~ poultry, and eggs, means under the ownership of the person who is financially providing for the physical requirements of such livestock, ~~[and]~~ poultry, and eggs on January 1 of the tax year and, for timber, means standing timber or timber that has been harvested and, on January 1 of the tax year, is located on the real property on 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.