

By: Button

H.B. No. 2136

A BILL TO BE ENTITLED

AN ACT

relating to the exemption of inventory of certain retail businesses from ad valorem taxation by a school district.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.35 to read as follows:

Sec. 11.35. RETAIL INVENTORY. (a) A person is entitled to an exemption from taxation by a school district of the appraised value of the person's inventory held for sale at retail.

(b) The exemption provided by Subsection (a) does not apply to:

(1) real property;

(2) a dealer's motor vehicle inventory, as defined by Section 23.121;

(3) a dealer's heavy equipment inventory, as defined by Section 23.1241;

(4) a dealer's vessel and outboard motor inventory, as defined by Section 23.124; or

(5) retail manufactured housing inventory, as defined by Section 23.127.

SECTION 2. This Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 3. This Act takes effect January 1, 2016, but only if the constitutional amendment proposed by the 84th Legislature,

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1 Regular Session, 2015, authorizing the legislature to exempt from
2 ad valorem taxation by one or more political subdivisions of this
3 state a person's inventory held for sale at retail is approved by
4 the voters. If that amendment is not approved by the voters, this
5 Act has no effect.