

By: Bettencourt

S.B. No. 1693

A BILL TO BE ENTITLED

AN ACT

relating to the exemption of certain inventory 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. INVENTORY. (a) In this section, "inventory" means:

(1) a finished good held for sale or resale; or

(2) a raw or finished material held to be incorporated into or attached to tangible personal property to create a finished good.

(b) A person is entitled to an exemption from taxation by a school district of the appraised value of the person's inventory.

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, Regular Session, 2015, authorizing the legislature to exempt from ad valorem taxation by one or more political subdivisions of this state a person's inventory is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.