

By: Burkett

H.B. No. 350

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from ad valorem taxation of income-producing tangible personal property owned by certain small businesses.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.143 to read as follows:

Sec. 11.143. INCOME-PRODUCING TANGIBLE PERSONAL PROPERTY OWNED BY SMALL BUSINESS. A business that employs 500 or fewer employees is entitled to an exemption from taxation of the tangible personal property that is owned by the business and that is held or used by the business for the production of income.

SECTION 2. Section 11.42(b), Tax Code, is amended to read as follows:

(b) An exemption authorized by Section 11.11 or 11.143 is effective immediately on qualification for the exemption.

SECTION 3. Section 11.43(a), Tax Code, is amended to read as follows:

(a) To receive an exemption, a person claiming the exemption, other than an exemption authorized by Section 11.11, 11.12, 11.14, 11.143, 11.145, 11.146, 11.15, 11.16, 11.161, or 11.25 ~~[of this code]~~, must apply for the exemption. To apply for an exemption, a person must file an exemption application form with the chief appraiser for each appraisal district in which the

1 property subject to the claimed exemption has situs.

2 SECTION 4. Section 11.143, Tax Code, as added by this Act,
3 applies only to a tax year beginning on or after January 1, 2018.

4 SECTION 5. This Act takes effect January 1, 2018, but only
5 if the constitutional amendment proposed by the 85th Legislature,
6 1st Called Session, 2017, authorizing the legislature to exempt
7 from ad valorem taxation income-producing tangible personal
8 property owned by certain small businesses is approved by the
9 voters. If that amendment is not approved by the voters, this Act
10 has no effect.