

By: Button

H.B. No. 425

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 ad valorem taxes imposed for a tax year that begins on or after the effective date of this Act.

SECTION 3. This Act takes effect January 1, 2018, but only

1 if the constitutional amendment proposed by the 85th Legislature,
2 Regular Session, 2017, authorizing the legislature to exempt from
3 ad valorem taxation by one or more political subdivisions of this
4 state a person's inventory held for sale at retail is approved by
5 the voters. If that amendment is not approved by the voters, this
6 Act has no effect.