

By: Button

H.B. No. 2973

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of the commissioners court of a county to  
3 exempt the inventory of certain retail businesses from ad valorem  
4 taxation by the county.

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

6 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by  
7 adding Section 11.37 to read as follows:

8 Sec. 11.37. RETAIL INVENTORY. (a) A person is entitled to  
9 an exemption from taxation by a county of the appraised value of the  
10 person's inventory held for sale at retail if the exemption is  
11 adopted by the commissioners court of the county in the manner  
12 provided by law for official action by the commissioners court.

13 (b) The exemption provided by Subsection (a) and adopted by  
14 a commissioners court applies to:

15 (1) the tax year:

16 (A) in which the exemption is adopted by the  
17 commissioners court if officially adopted before April 15; or

18 (B) immediately following the tax year in which  
19 the exemption is adopted by the commissioners court if officially  
20 adopted on or after April 15; and

21 (2) the four tax years following that tax year.

22 (c) The exemption provided by Subsection (a) does not apply  
23 to:

24 (1) real property;

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

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

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

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

9           SECTION 2. This Act applies only to ad valorem taxes imposed  
10 for a tax year that begins on or after the effective date of this  
11 Act.

12           SECTION 3. This Act takes effect January 1, 2018, but only  
13 if the constitutional amendment proposed by the 85th Legislature,  
14 Regular Session, 2017, authorizing the legislature to permit one or  
15 more political subdivisions of this state to exempt from ad valorem  
16 taxation a person's inventory held for sale at retail is approved by  
17 the voters. If that amendment is not approved by the voters, this  
18 Act has no effect.