

By: Workman

H.J.R. No. 48

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature
2 to phase out by 2027 the ad valorem taxation by a school district of
3 the tangible personal property a person owns that consists of
4 inventory.

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

6 SECTION 1. Article VIII, Texas Constitution, is amended by
7 adding Section 1-q to read as follows:

8 Sec. 1-q. (a) The legislature by general law may exempt from
9 ad valorem taxation by a school district the market value of the
10 tangible personal property a person owns that consists of
11 inventory.

12 (b) The legislature by general law may provide additional
13 eligibility requirements for the exemption authorized by this
14 section.

15 (c) The legislature by general law may prescribe procedures
16 for the administration of this section.

17 (d) Subsection (a) of this section applies to the ad valorem
18 taxation by a school district of tangible personal property that
19 consists of inventory only for the 2027 and subsequent tax years.
20 The ad valorem taxation by a school district of tangible personal
21 property that consists of inventory for the 2018, 2019, 2020, 2021,
22 2022, 2023, 2024, 2025, and 2026 tax years is governed by this
23 subsection. The legislature by general law may exempt from ad
24 valorem taxation by a school district a percentage of the market

1 value of the tangible personal property a person owns that consists
2 of inventory. For the 2018 tax year, the amount of the exemption may
3 not exceed 10 percent of the market value of the inventory. For the
4 2019 tax year, the amount of the exemption may not exceed 20 percent
5 of the market value of the inventory. For the 2020 tax year, the
6 amount of the exemption may not exceed 30 percent of the market
7 value of the inventory. For the 2021 tax year, the amount of the
8 exemption may not exceed 40 percent of the market value of the
9 inventory. For the 2022 tax year, the amount of the exemption may
10 not exceed 50 percent of the market value of the inventory. For the
11 2023 tax year, the amount of the exemption may not exceed 60 percent
12 of the market value of the inventory. For the 2024 tax year, the
13 amount of the exemption may not exceed 70 percent of the market
14 value of the inventory. For the 2025 tax year, the amount of the
15 exemption may not exceed 80 percent of the market value of the
16 inventory. For the 2026 tax year, the amount of the exemption may
17 not exceed 90 percent of the market value of the inventory. This
18 subsection expires January 1, 2027.

19 SECTION 2. This proposed constitutional amendment shall be
20 submitted to the voters at an election to be held November 7, 2017.
21 The ballot shall be printed to permit voting for or against the
22 proposition: "The constitutional amendment authorizing the
23 legislature to phase out by 2027 the ad valorem taxation by a school
24 district of the tangible personal property a person owns that
25 consists of inventory."