

By: Hughes
(Murphy)

S.B. No. 1013

Substitute the following for S.B. No. 1013:

By: Guillen

C.S.S.B. No. 1013

A BILL TO BE ENTITLED

AN ACT

relating to the calculation of the penalty for filing a late application for certain ad valorem tax exemptions and allocations.

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

SECTION 1. Section 11.4391, Tax Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) Except as provided by Subsection (b-1), if [If] the application is approved, the property owner is liable to each taxing unit allowing the exemption for a penalty in an amount equal to 10 percent of the difference between the amount of tax imposed by the taxing unit on the inventory or property, a portion of which consists of freeport goods, and the amount that would otherwise have been imposed up to a maximum penalty of 10 percent of the tax imposed with the exemption.

(b-1) If the total amount of the penalties for which a property owner is liable under Subsection (b) to the taxing units allowing the exemption is less than \$5,000, the amount of the penalty for which the owner is liable to each taxing unit allowing the exemption is computed by multiplying \$5,000 by a fraction, the numerator of which is the amount of the penalty to which that taxing unit is entitled as calculated under that subsection and the denominator of which is the total amount of the penalties to which the taxing units allowing the exemption are entitled as calculated

1 under that subsection.

2 SECTION 2. Section 21.10, Tax Code, is amended by amending
3 Subsection (b) and adding Subsection (b-1) to read as follows:

4 (b) Except as provided by Subsection (b-1), if ~~if~~ the
5 application is approved, the property owner is liable to each
6 taxing unit for a penalty in an amount equal to 10 percent of the
7 difference between the amount of tax imposed by the taxing unit on
8 the property without the allocation and the amount of tax imposed on
9 the property with the allocation up to a maximum penalty of 10
10 percent of the tax imposed with the allocation.

11 (b-1) If the total amount of the penalties for which a
12 property owner is liable under Subsection (b) to the taxing units
13 that tax the property is less than \$5,000, the amount of the penalty
14 for which the owner is liable to each taxing unit that taxes the
15 property is computed by multiplying \$5,000 by a fraction, the
16 numerator of which is the amount of the penalty to which that taxing
17 unit is entitled as calculated under that subsection and the
18 denominator of which is the total amount of the penalties to which
19 the taxing units that tax the property are entitled as calculated
20 under that subsection.

21 SECTION 3. Section 11.4391, Tax Code, as amended by this
22 Act, applies only to an application for an exemption for freeport
23 goods under Section 11.251, Tax Code, filed on or after the
24 effective date of this Act.

25 SECTION 4. Section 21.10, Tax Code, as amended by this Act,
26 applies only to an application for an allocation under Section
27 21.09, Tax Code, filed on or after the effective date of this Act.

1 SECTION 5. This Act takes effect September 1, 2019.