

By: Shine

H.B. No. 224

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a person who acquires a residence homestead to receive an ad valorem tax exemption for the homestead in the year in which the property is acquired.

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

SECTION 1. Section 11.42(d), Tax Code, is amended to read as follows:

(d) A person who acquires property after January 1 of a tax year may receive an exemption authorized by Section 11.13, other than an exemption authorized by Section 11.13(c) or (d), 11.17, 11.18, 11.19, 11.20, 11.21, 11.23, 11.231, or 11.30 for the applicable portion of that tax year immediately on qualification for the exemption.

SECTION 2. Chapter 26, Tax Code, is amended by adding Section 26.1115 to read as follows:

Sec. 26.1115. CALCULATION OF TAXES ON RESIDENCE HOMESTEAD GENERALLY. (a) If an individual receives one or more exemptions under Section 11.13 for a portion of a tax year as provided by Section 11.42(d), except as provided by Subsection (b) of this section, the amount of tax due on the property for that year is calculated by:

(1) subtracting:

(A) the amount of the taxes that otherwise would be imposed on the property for the entire year had the individual

1 qualified for the exemptions for the entire year; from

2 (B) the amount of the taxes that otherwise would
3 be imposed on the property for the entire year had the individual
4 not qualified for the exemptions during the year;

5 (2) multiplying the remainder determined under
6 Subdivision (1) by a fraction, the denominator of which is 365 and
7 the numerator of which is the number of days in that year that
8 elapsed before the date the individual first qualified the property
9 for the exemptions; and

10 (3) adding the product determined under Subdivision
11 (2) and the amount described by Subdivision (1)(A).

12 (b) If an individual receives one or more exemptions to
13 which Subsection (a) of this section applies for a portion of a tax
14 year as provided by Section 11.42(d) and the exemptions terminate
15 during the year in which the individual acquired the property, the
16 amount of tax due on the property for that year is calculated by:

17 (1) subtracting:

18 (A) the amount of the taxes that otherwise would
19 be imposed on the property for the entire year had the individual
20 qualified for the exemptions for the entire year; from

21 (B) the amount of the taxes that otherwise would
22 be imposed on the property for the entire year had the individual
23 not qualified for the exemptions during the year;

24 (2) multiplying the remainder determined under
25 Subdivision (1) by a fraction, the denominator of which is 365 and
26 the numerator of which is the sum of:

27 (A) the number of days in that year that elapsed

1 before the date the individual first qualified the property for the
2 exemptions; and

3 (B) the number of days in that year that elapsed
4 after the date the exemptions terminated; and

5 (3) adding the product determined under Subdivision
6 (2) and the amount described by Subdivision (1)(A).

7 (c) If an individual qualifies to receive an exemption as
8 described by Subsection (a) with respect to a property after the
9 amount of tax due on the property is calculated and if the effect of
10 the qualification is to reduce the amount of tax due on the
11 property, the assessor for each taxing unit shall recalculate the
12 amount of the tax due on the property and correct the tax roll. If
13 the tax bill has been mailed and the tax on the property has not been
14 paid, the assessor shall mail a corrected tax bill to the individual
15 in whose name the property is listed on the tax roll or to the
16 individual's authorized agent. If the tax on the property has been
17 paid, the collector for the taxing unit shall refund to the
18 individual who paid the tax the amount by which the payment exceeded
19 the tax due.

20 SECTION 3. This Act applies only to a residence homestead
21 acquired on or after the effective date of this Act.

22 SECTION 4. This Act takes effect January 1, 2022.