87R2695 SMT-D

By:  Shine H.B. No. 987

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from ad valorem taxation of all or a portion of the value of a person's income-producing tangible personal property depending on the value of the property.

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

SECTION 1.  Section 11.145, Tax Code, is amended to read as follows:

Sec. 11.145.  INCOME-PRODUCING TANGIBLE PERSONAL PROPERTY HAVING VALUE OF LESS THAN $5,000 [~~$500~~]. (a) A person is entitled to an exemption from taxation of the tangible personal property the person owns that is held or used for the production of income if the [~~that~~] property is listed in a single account maintained by the appraisal district that appraises the property and the total [~~has a~~] taxable value of all property listed in the account is less than $5,000 [~~$500~~].

(b)  The exemption provided by Subsection (a) applies to each separate taxing unit in which a person holds or uses tangible personal property for the production of income[~~, and, for the purposes of Subsection (a), all property in each taxing unit is aggregated to determine taxable value~~].

(c)  A person may receive more than one exemption under Subsection (a).

SECTION 2.  Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.1455 to read as follows:

Sec. 11.1455.  INCOME-PRODUCING TANGIBLE PERSONAL PROPERTY HAVING VALUE OF $5,000 OR MORE AND LESS THAN $500,000. (a) A person is entitled to an exemption from taxation of a portion of the value of the tangible personal property the person owns that is held or used for the production of income if the property is listed in a single account maintained by the appraisal district that appraises the property and the total taxable value of all property listed in the account is $5,000 or more and less than $500,000. The amount of the exemption is equal to 20 percent of the total taxable value of all property listed in the account.

(b)  The exemption provided by Subsection (a) applies to each separate taxing unit in which a person holds or uses tangible personal property for the production of income.

(c)  A person may receive more than one exemption under Subsection (a).

SECTION 3.  Section 11.43(a), Tax Code, is amended to read as follows:

(a)  To receive an exemption, a person claiming the exemption, other than an exemption authorized by Section 11.11, 11.12, 11.14, 11.141, 11.145, 11.1455, 11.146, 11.15, 11.16, 11.161, or 11.25, must apply for the exemption. To apply for an exemption, a person must file an exemption application form with the chief appraiser for each appraisal district in which the property subject to the claimed exemption has situs.

SECTION 4.  This Act applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

SECTION 5.  (a) Except as provided by Subsection (b) of this section, this Act takes effect January 1, 2022.

(b)  Section 11.1455, Tax Code, as added by this Act, and Section 11.43(a), Tax Code, as amended by this Act, take effect January 1, 2022, but only if the constitutional amendment proposed by the 87th Legislature, Regular Session, 2021, authorizing the legislature to exempt from ad valorem taxation a portion of the value of a person's income-producing tangible personal property if the property has a value within a specified range of values is approved by the voters. If that amendment is not approved by the voters, Section 11.1455, Tax Code, as added by this Act, and Section 11.43(a), Tax Code, as amended by this Act, have no effect.