

By: Shine

H.B. No. 987

A BILL TO BE ENTITLED

AN ACT

1
2 relating to an exemption from ad valorem taxation of all or a
3 portion of the value of a person's income-producing tangible
4 personal property depending on the value of the property.

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

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

8 Sec. 11.145. INCOME-PRODUCING TANGIBLE PERSONAL PROPERTY
9 HAVING VALUE OF LESS THAN \$5,000 [~~\$500~~]. (a) A person is entitled
10 to an exemption from taxation of the tangible personal property the
11 person owns that is held or used for the production of income if the
12 ~~[that]~~ property is listed in a single account maintained by the
13 appraisal district that appraises the property and the total ~~[has~~
14 a] taxable value of all property listed in the account is less than
15 \$5,000 [~~\$500~~].

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

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

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

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

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

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

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

18 (a) To receive an exemption, a person claiming the
19 exemption, other than an exemption authorized by Section 11.11,
20 11.12, 11.14, 11.141, 11.145, 11.1455, 11.146, 11.15, 11.16,
21 11.161, or 11.25, must apply for the exemption. To apply for an
22 exemption, a person must file an exemption application form with
23 the chief appraiser for each appraisal district in which the
24 property subject to the claimed exemption has situs.

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

27 SECTION 5. (a) Except as provided by Subsection (b) of this

1 section, this Act takes effect January 1, 2022.

2 (b) Section 11.1455, Tax Code, as added by this Act, and
3 Section 11.43(a), Tax Code, as amended by this Act, take effect
4 January 1, 2022, but only if the constitutional amendment proposed
5 by the 87th Legislature, Regular Session, 2021, authorizing the
6 legislature to exempt from ad valorem taxation a portion of the
7 value of a person's income-producing tangible personal property if
8 the property has a value within a specified range of values is
9 approved by the voters. If that amendment is not approved by the
10 voters, Section 11.1455, Tax Code, as added by this Act, and Section
11 11.43(a), Tax Code, as amended by this Act, have no effect.