

BILL ANALYSIS

C.S.H.B. 623
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, animal feed is exempt from taxation at every point along the way, from the field where it's harvested to the purchase of the feed by a farmer or rancher, except when it is sitting in a store as inventory. C.S.H.B. 623 seeks to exempt tangible personal property consisting of animal feed from property taxation if the property is held by the owner for sale at retail.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 623 amends the Tax Code to entitle the owner of tangible personal property consisting of animal feed held by the owner for sale at retail to an exemption from property taxation of the tangible personal property's appraised value. The bill applies only to property taxes imposed for a tax year beginning on or after the bill's effective date.

EFFECTIVE DATE

January 1, 2024, if the constitutional amendment authorizing the legislature to exempt from property taxation tangible personal property consisting of animal feed held by the owner of the property for sale at retail is approved by the voters.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 623 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a clarification not in the introduced that the exemption to which the owner of tangible personal property consisting of animal feed held by the owner for sale at retail is entitled under the bill's provisions is an exemption from property taxation of the tangible personal property's appraised value.