

By: Bhojani

H.B. No. 5100

A BILL TO BE ENTITLED

AN ACT

relating to a one-time credit against the ad valorem taxes imposed by a taxing unit on the residence homestead of a first-time home buyer and to the effect of the credit on the determination of the taxable value of a school district.

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

SECTION 1. Chapter 31, Tax Code, is amended by adding Section 31.039 to read as follows:

Sec. 31.039. RESIDENCE HOMESTEAD TAX CREDIT FOR FIRST-TIME HOME BUYER. (a) In this section, "residence homestead" has the meaning assigned by Section 11.13.

(b) A person is entitled to a credit against the taxes imposed by a taxing unit on the residence homestead of the person in the first tax year following the year in which the person purchased the property if the person has not previously qualified a property as the person's residence homestead.

(c) The amount of the credit in the aggregate is equal to the lesser of:

(1) \$3,000; or

(2) one-half of the taxes imposed by the taxing unit on the residence homestead.

(d) To receive a credit under this section, a person must file an application with the chief appraiser of the appraisal district in which the property is located. The application must

1 include an affidavit affirming that the applicant is qualified for  
2 the credit. The application must be filed not later than the  
3 deadline for filing an application for a residence homestead  
4 exemption on the property for the tax year, including any provision  
5 authorizing the filing of a late application.

6 (e) The chief appraiser shall approve or deny an application  
7 under this section for each taxing unit for which the appraisal  
8 district appraises the property. A determination of the chief  
9 appraiser is subject to protest and appeal in the same manner as a  
10 determination to approve or deny an application for a residence  
11 homestead exemption.

12 (f) The chief appraiser shall forward a copy of the  
13 application to the assessor for each taxing unit that imposes taxes  
14 on the residence homestead and certify to the assessor whether the  
15 chief appraiser has approved or denied the application.

16 (g) The comptroller shall adopt rules for the  
17 administration of this section, including rules prescribing the  
18 documentation required to establish qualification for the credit.

19 (h) A person who has previously received a credit under this  
20 section may not receive a credit under this section in a subsequent  
21 tax year.

22 SECTION 2. Section 403.302, Government Code, is amended by  
23 adding Subsection (d-2) to read as follows:

24 (d-2) For purposes of Subsection (d), taxable value does not  
25 include an amount equal to the taxable value required to generate  
26 revenue, when taxed at the school district's tax rate in the year  
27 that is the subject of the study, in an amount that is equal to the

1 total amount of the credits provided by the district under Section  
2 31.039, Tax Code, in that year.

3 SECTION 3. This Act applies only to ad valorem taxes imposed  
4 for a tax year beginning on or after the effective date of this Act.

5 SECTION 4. This Act takes effect January 1, 2024, but only  
6 if the constitutional amendment proposed by the 88th Legislature,  
7 Regular Session, 2023, to authorize the legislature to provide for  
8 a one-time credit against the ad valorem taxes imposed by a  
9 political subdivision on the residence homestead of a first-time  
10 home buyer and to provide for the reimbursement of political  
11 subdivisions for the revenue loss incurred as a result of the credit  
12 is approved by the voters. If that amendment is not approved by the  
13 voters, this Act has no effect.