

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 26, 2023

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1439 by Springer (Relating to the ad valorem taxation of tangible personal property held or used for the production of income by related business entities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 11 of the Tax Code, relating to Taxable Property and Exemptions, to define the terms “related business entity” and "unified business enterprise" for purposes of identifying the owner of income-producing tangible personal property that is eligible for the exemption for income-producing tangible personal property having a value of less than \$2,500.

The bill would allow the chief appraiser to investigate a business entity to determine whether the entity is a related business entity and has aggregated tangible personal property.

The bill would amend Chapter 22 of the Tax Code, relating to Renditions and other Reports, to require the physical address of a property on a rendition statement. It would further require a rendition statement of a related business entity to contain the information for each related business entity that composes the unified business enterprise of which the related business entity that is the subject of the rendition is a part.

The bill would direct the Comptroller to include a check box on the prescribed form to indicate that a property owner is a related business entity.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, AF, SD, BRI