

BILL ANALYSIS

H.B. 22
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to a study by the Tax Foundation, Texas remains one of only eight states that tax intangible personal property, which may include goodwill, stocks, or intellectual property rights like patents, copyrights, and trademarks. Although intangible personal property is generally exempt from taxation under state law, several exceptions still exist, resulting in certain intangible assets being taxable. Any tax on intangible personal property, regardless of the amount taxed, could be detrimental to certain businesses in Texas that are subject to intangible personal property taxation, which can discourage in-state investment. H.B. 22 seeks to address this issue by eliminating all taxation of intangible personal property in Texas.

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

H.B. 22 amends the Tax Code to make all intangible personal property exempt from property taxation. The bill repeals provisions relating to the state's jurisdiction to tax qualifying intangible personal property owned by certain insurance companies and certain savings and loan associations, the procedures for appraising and determining the taxable situs of intangible personal property owned by these companies and associations, and the jurisdiction of taxing units to tax intangible personal property generally.

H.B. 22 repeals the following provisions of the Tax Code:

- Sections 11.02(b) and (c);
- Section 21.06;
- Section 21.07;
- Section 21.08;
- Section 23.15; and
- Section 23.16.

H.B. 22 applies only to a property tax year that begins on or after the bill's effective date.

EFFECTIVE DATE

January 1, 2026.