

BILL ANALYSIS

H.B. 1399
By: Harris
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, animal feed is typically exempt from taxation at each location or transaction during its life cycle, from the field where it's harvested to the purchase of the feed by a farmer or rancher, except for when the feed is sitting in a store as inventory. H.B. 1399 seeks to address this inconsistency by exempting 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

H.B. 1399 amends the Tax Code to entitle the owner of tangible personal property consisting of animal feed that is exempted from sales and use taxes and 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, 2026, 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.