

RESOLUTION ANALYSIS

H.J.R. 1
By: Meyer
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

According to the 2022-2023 Biennial Property Tax Report published by the comptroller of public accounts, local property taxes in Texas are rising. Increased property taxes affect all property owners across the state, including many of the state's small business owners. Additionally, taxes on income-producing personal property can impose significant compliance and administrative burdens on businesses. H.J.R. 1 seeks to address these issues by proposing an amendment to the Texas Constitution to allow the legislature to exempt from property taxation \$250,000 of the market value of tangible personal property a person owns that is held or used for the production of income.

CRIMINAL JUSTICE IMPACT

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

ANALYSIS

H.J.R. 1 proposes an amendment to the Texas Constitution to replace the authorization for the legislature to exempt from property taxation tangible personal property that is held or used for the production of income and has a taxable value of less than the minimum amount sufficient to recover the costs of the administration of the taxes on the property, as determined by or under the general law granting the exemption, with an authorization for the legislature by general law to exempt from property taxation \$250,000 of the market value of tangible personal property a person owns that is held or used for the production of income. The amendment takes effect for the tax year beginning January 1, 2025.

ELECTION DATE

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 4, 2025.