

By: Meyer

H.B. No. 9

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from ad valorem taxation of a portion of the appraised value of tangible personal property a person owns that is held or used for the production of income.

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

ARTICLE 1. PROVISIONS CONTINGENT ON CONSTITUTIONAL AMENDMENT

SECTION 1.01. The heading to Section 11.145, Tax Code, is amended to read as follows:

Sec. 11.145. INCOME-PRODUCING TANGIBLE PERSONAL PROPERTY ~~[HAVING VALUE OF LESS THAN \$2,500]~~.

SECTION 1.02. Section 11.145(a), Tax Code, is amended to read as follows:

(a) A person is entitled to an exemption from taxation of \$250,000 of the appraised value of tangible personal property the person owns that is held or used for the production of income ~~[if that property has a taxable value of less than \$2,500]~~.

SECTION 1.03. Section 22.01, Tax Code, is amended by adding Subsection (j-1) to read as follows:

(j-1) A person is required to render tangible personal property the person owns that is held or used for the production of income only if, in the person's opinion, the aggregate market value of the property in at least one taxing unit that participates in the appraisal district is greater than the amount exempted under Section 11.145(a). A person required to render property for

1 taxation under this subsection must render all tangible personal  
2 property the person owns that is held or used for the production of  
3 income and has taxable situs in the appraisal district. This  
4 subsection does not apply to property exempt from taxation under a  
5 provision of law other than Section 11.145.

6 SECTION 1.04. The changes in law made by this article apply  
7 only to an ad valorem tax year that begins on or after January 1,  
8 2025.

9 ARTICLE 2. PROVISIONS NOT CONTINGENT ON CONSTITUTIONAL AMENDMENT

10 SECTION 2.01. Section 26.01, Tax Code, is amended by adding  
11 Subsections (a-2) and (a-3) to read as follows:

12 (a-2) This subsection applies only to the appraisal roll for  
13 a taxing unit for the 2025 tax year. When the chief appraiser  
14 delivers the appraisal roll to the assessor for the taxing unit, the  
15 chief appraiser shall include a provisional appraisal roll to  
16 account for the changes in law attributable to the constitutional  
17 amendment proposed by the 89th Legislature, Regular Session, 2025,  
18 to authorize the legislature to exempt from ad valorem taxation a  
19 portion of the market value of tangible personal property a person  
20 owns that is held or used for the production of income, as if those  
21 changes were in effect. If the chief appraiser delivers a  
22 supplemental appraisal roll or correction to the appraisal roll to  
23 the assessor for the taxing unit before that constitutional  
24 amendment takes effect, the chief appraiser shall include  
25 provisional appraisal roll entries to account for the changes in  
26 law attributable to that constitutional amendment. If that  
27 constitutional amendment takes effect:

1           (1) on the date that constitutional amendment takes  
2 effect, the provisional appraisal roll, as supplemented and  
3 corrected, becomes the appraisal roll for the taxing unit; and

4           (2) as soon as practicable after that date, the chief  
5 appraiser shall correct the taxing unit's appraisal roll as  
6 necessary to finally account for the changes in law attributable to  
7 that constitutional amendment.

8           (a-3) This subsection and Subsection (a-2) expire December  
9 31, 2026.

10           SECTION 2.02. Section 26.04, Tax Code, is amended by adding  
11 Subsections (a-1) and (c-1) to read as follows:

12           (a-1) On receipt of the appraisal roll for the 2025 tax  
13 year, the assessor for a taxing unit shall determine the total  
14 taxable value of property taxable by the taxing unit and the taxable  
15 value of new property as if the changes in law attributable to the  
16 constitutional amendment proposed by the 89th Legislature, Regular  
17 Session, 2025, to authorize the legislature to exempt from ad  
18 valorem taxation a portion of the market value of tangible personal  
19 property a person owns that is held or used for the production of  
20 income were in effect for that tax year. This subsection expires  
21 December 31, 2026.

22           (c-1) An officer or employee designated by the governing  
23 body of a taxing unit shall calculate the no-new-revenue tax rate  
24 and the voter-approval tax rate of the taxing unit for the 2025 tax  
25 year as if the changes in law attributable to the constitutional  
26 amendment proposed by the 89th Legislature, Regular Session, 2025,  
27 to authorize the legislature to exempt from ad valorem taxation a

1 portion of the market value of tangible personal property a person  
2 owns that is held or used for the production of income were in  
3 effect for that tax year. This subsection expires December 31,  
4 2026.

5 SECTION 2.03. Chapter 26, Tax Code, is amended by adding  
6 Section 26.0401 to read as follows:

7 Sec. 26.0401. CALCULATION OF CERTAIN TAX RATES FOR 2025 TAX  
8 YEAR. (a) For the purposes of calculating the no-new-revenue tax  
9 rate, the voter-approval tax rate, and any related tax rate for the  
10 2025 tax year, a taxing unit that calculates those rates under a  
11 provision of law other than Section 26.04 or 26.08 shall calculate  
12 those rates as if the changes in law attributable to the  
13 constitutional amendment proposed by the 89th Legislature, Regular  
14 Session, 2025, to authorize the legislature to exempt from ad  
15 valorem taxation a portion of the market value of tangible personal  
16 property a person owns that is held or used for the production of  
17 income were in effect for that tax year.

18 (b) This section expires December 31, 2026.

19 SECTION 2.04. Section 26.08, Tax Code, is amended by adding  
20 Subsection (q) to read as follows:

21 (q) For purposes of this section, the voter-approval tax  
22 rate of a school district for the 2025 tax year shall be calculated  
23 as if the changes in law attributable to the constitutional  
24 amendment proposed by the 89th Legislature, Regular Session, 2025,  
25 to authorize the legislature to exempt from ad valorem taxation a  
26 portion of the market value of tangible personal property a person  
27 owns that is held or used for the production of income were in

1 effect for that tax year. This subsection expires December 31,  
2 2026.

3 SECTION 2.05. Section 26.09, Tax Code, is amended by adding  
4 Subsection (c-1) to read as follows:

5 (c-1) The assessor for a taxing unit shall calculate the  
6 amount of tax imposed by the taxing unit on the tangible personal  
7 property a person owns that is held or used for the production of  
8 income for the 2025 tax year as if the changes in law attributable  
9 to the constitutional amendment proposed by the 89th Legislature,  
10 Regular Session, 2025, to authorize the legislature to exempt from  
11 ad valorem taxation a portion of the market value of tangible  
12 personal property a person owns that is held or used for the  
13 production of income were in effect for that tax year and also as if  
14 the changes in law attributable to that constitutional amendment  
15 were not in effect for that tax year. This subsection expires  
16 December 31, 2026.

17 SECTION 2.06. Section 26.15, Tax Code, is amended by adding  
18 Subsection (h) to read as follows:

19 (h) The assessor for a taxing unit shall correct the tax  
20 roll for the taxing unit for the 2025 tax year to reflect the  
21 results of the election to approve the constitutional amendment  
22 proposed by the 89th Legislature, Regular Session, 2025, to  
23 authorize the legislature to exempt from ad valorem taxation a  
24 portion of the market value of tangible personal property a person  
25 owns that is held or used for the production of income. This  
26 subsection expires December 31, 2026.

27 SECTION 2.07. Section 31.01, Tax Code, is amended by adding

1 Subsections (d-2), (d-3), (d-4), and (d-5) to read as follows:

2 (d-2) This subsection and Subsections (d-3) and (d-4) apply  
3 only to taxes imposed by a taxing unit on the tangible personal  
4 property a person owns that is held or used for the production of  
5 income for the 2025 tax year and only if the changes in law  
6 attributable to the constitutional amendment proposed by the 89th  
7 Legislature, Regular Session, 2025, to authorize the legislature to  
8 exempt from ad valorem taxation a portion of the market value of  
9 tangible personal property a person owns that is held or used for  
10 the production of income would lower the taxes imposed by the taxing  
11 unit on the property for that tax year. The assessor for the taxing  
12 unit shall compute the amount of taxes imposed and the other  
13 information required by this section as if the changes in law  
14 attributable to that constitutional amendment were in effect for  
15 that tax year. The tax bill or the separate statement must indicate  
16 that the bill is a provisional tax bill and include a statement in  
17 substantially the following form:

18 "If the Texas Legislature had not enacted property tax relief  
19 legislation during the 2025 legislative session, your tax bill  
20 would have been \$\_\_\_\_\_ (insert amount of tax bill if the changes in  
21 law attributable to the constitutional amendment proposed by the  
22 89th Legislature, Regular Session, 2025, to authorize the  
23 legislature to exempt from ad valorem taxation a portion of the  
24 market value of tangible personal property a person owns that is  
25 held or used for the production of income were not in effect for  
26 that tax year). Because of action by the Texas Legislature, your  
27 tax bill has been lowered by \$\_\_\_\_\_ (insert difference between

1 amount of tax bill if the changes in law attributable to that  
2 constitutional amendment were not in effect for that tax year and  
3 amount of tax bill if the changes in law attributable to that  
4 constitutional amendment were in effect for that tax year),  
5 resulting in a lower tax bill of \$\_\_\_\_\_ (insert amount of tax bill if  
6 the changes in law attributable to that constitutional amendment  
7 were in effect for that tax year), contingent on the approval by the  
8 voters at an election to be held November 4, 2025, of the  
9 constitutional amendment proposed by the 89th Legislature, Regular  
10 Session, 2025, to authorize the legislature to exempt from ad  
11 valorem taxation a portion of the market value of tangible personal  
12 property a person owns that is held or used for the production of  
13 income. If that constitutional amendment is not approved by the  
14 voters at the election, a supplemental tax bill in the amount of  
15 \$\_\_\_\_\_ (insert difference between amount of tax bill if the changes  
16 in law attributable to that constitutional amendment were not in  
17 effect for that tax year and amount of tax bill if the changes in law  
18 attributable to that constitutional amendment were in effect for  
19 that tax year) will be mailed to you."

20 (d-3) A tax bill prepared by the assessor for a taxing unit  
21 as provided by Subsection (d-2) and mailed as provided by  
22 Subsection (a) is considered to be a provisional tax bill until the  
23 canvass of the votes on the constitutional amendment proposed by  
24 the 89th Legislature, Regular Session, 2025, to authorize the  
25 legislature to exempt from ad valorem taxation a portion of the  
26 market value of tangible personal property a person owns that is  
27 held or used for the production of income. If that constitutional

1 amendment is approved by the voters, the tax bill is considered to  
2 be a final tax bill for the taxes imposed on the property for the  
3 2025 tax year, and no additional tax bill is required to be mailed  
4 unless another provision of this title requires the mailing of a  
5 corrected tax bill. If that constitutional amendment is not  
6 approved by the voters:

7           (1) a tax bill prepared by the assessor as provided by  
8 Subsection (d-2) is considered to be a final tax bill but only as to  
9 the portion of the taxes imposed on the property for the 2025 tax  
10 year that is included in the bill;

11           (2) the amount of taxes imposed by each taxing unit on  
12 the tangible personal property a person owns that is held or used  
13 for the production of income for the 2025 tax year is calculated as  
14 if the changes in law attributable to that constitutional amendment  
15 were not in effect for that tax year; and

16           (3) except as provided by Subsections (f), (i-1), and  
17 (k), the assessor for each taxing unit shall prepare and mail a  
18 supplemental tax bill, by December 1 or as soon thereafter as  
19 practicable, in an amount equal to the difference between the  
20 amount of the tax bill if the changes in law attributable to that  
21 constitutional amendment were not in effect for that tax year and  
22 the amount of the tax bill if the changes in law attributable to  
23 that constitutional amendment were in effect for that tax year.

24           (d-4) Except as otherwise provided by Subsection (d-3), the  
25 provisions of this section other than Subsection (d-2) apply to a  
26 supplemental tax bill mailed under Subsection (d-3).

27           (d-5) This subsection and Subsections (d-2), (d-3), and



1 (d-4) expire December 31, 2026.

2 SECTION 2.08. Section 31.02, Tax Code, is amended by adding  
3 Subsection (a-1) to read as follows:

4 (a-1) Except as provided by Subsection (b) of this section  
5 and Sections 31.03 and 31.04, taxes for which a supplemental tax  
6 bill is mailed under Section 31.01(d-3) are due on receipt of the  
7 tax bill and are delinquent if not paid before March 1 of the year  
8 following the year in which imposed. This subsection expires  
9 December 31, 2026.

10 ARTICLE 3. EFFECTIVE DATES

11 SECTION 3.01. Except as otherwise provided by this article:

12 (1) this Act takes effect immediately if this Act  
13 receives a vote of two-thirds of all the members elected to each  
14 house, as provided by Section 39, Article III, Texas Constitution;  
15 and

16 (2) if this Act does not receive the vote necessary for  
17 immediate effect, this Act takes effect September 1, 2025.

18 SECTION 3.02. Article 1 of this Act takes effect on the date  
19 on which the constitutional amendment proposed by the 89th  
20 Legislature, Regular Session, 2025, to authorize the legislature to  
21 exempt from ad valorem taxation a portion of the market value of  
22 tangible personal property a person owns that is held or used for  
23 the production of income takes effect. If that amendment is not  
24 approved by the voters, Article 1 of this Act has no effect.