

By: Button, Noble, Turner, Capriglione,
Meyer

H.B. No. 135

Substitute the following for H.B. No. 135:

By: Capriglione

C.S.H.B. No. 135

A BILL TO BE ENTITLED

AN ACT

relating to exemptions from sales and use taxes for game animals and
exotic animals.

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

SECTION 1. Section 151.316(a), Tax Code, is amended to read
as follows:

(a) Subject to Section 151.1551, the following items are
exempted from the taxes imposed by this chapter:

(1) horses, mules, and work animals;

(2) animal life the products of which ordinarily
constitute food for human consumption;

(3) feed for farm and ranch animals;

(4) feed for animals that are held for sale in the
regular course of business;

(5) seeds and annual plants the products of which:

(A) ordinarily constitute food for human
consumption;

(B) are to be sold in the regular course of
business; or

(C) are used to produce feed for animals exempted
by this section;

(6) fertilizers, fungicides, insecticides,
herbicides, defoliants, and desiccants exclusively used or
employed on a farm or ranch in the production of:

- 1 (A) food for human consumption;
2 (B) feed for animal life; or
3 (C) other agricultural products to be sold in the
4 regular course of business;

5 (7) machinery and equipment exclusively used or
6 employed on a farm or ranch in the building or maintaining of roads
7 or water facilities or in the production of:

- 8 (A) food for human consumption;
9 (B) grass;
10 (C) feed for animal life; or
11 (D) other agricultural products to be sold in the
12 regular course of business;

13 (8) machinery and equipment exclusively used in, and
14 pollution control equipment required as a result of, the
15 processing, packing, or marketing of agricultural products by an
16 original producer at a location operated by the original producer
17 for processing, packing, or marketing the producer's own products
18 if:

19 (A) 50 percent or more of the products processed,
20 packed, or marketed at or from the location are produced by the
21 original producer and not purchased or acquired from others; and

22 (B) the producer does not process, pack, or
23 market for consideration any agricultural products that belong to
24 other persons in an amount greater than five percent of the total
25 agricultural products processed, packed, or marketed by the
26 producer;

27 (9) ice exclusively used by commercial fishing boats

1 in the storing of aquatic species including but not limited to
2 shrimp, other crustaceans, finfish, mollusks, and other similar
3 creatures;

4 (10) tangible personal property, including a tire,
5 sold or used to be installed as a component part of a motor vehicle,
6 machinery, or other equipment exclusively used or employed on a
7 farm or ranch in the building or maintaining of roads or water
8 facilities or in the production of:

9 (A) food for human consumption;

10 (B) grass;

11 (C) feed for animal life; or

12 (D) other agricultural products to be sold in the
13 regular course of business;

14 (11) machinery and equipment exclusively used in an
15 agricultural aircraft operation, as defined by 14 C.F.R. Section
16 137.3;

17 (12) tangible personal property incorporated into a
18 structure that is used for the disposal of poultry carcasses in
19 accordance with Section 26.303, Water Code;

20 (13) tangible personal property incorporated into or
21 attached to a structure that is located on a commercial dairy farm,
22 is used or employed exclusively for the production of milk, and is:

23 (A) a free-stall dairy barn; or

24 (B) a dairy structure used solely for maternity
25 purposes; ~~and~~

26 (14) telecommunications services exclusively provided
27 or used for the navigation of machinery and equipment exclusively

used or employed on a farm or ranch in the building or maintaining
of roads or water facilities or in the production of:

(A) food for human consumption;

(B) grass;

(C) feed for animal life; or

(D) other agricultural products to be sold in the
regular course of business;

(15) exotic animals, as defined by Section 23.51; and

(16) game animals, as described by Section 63.001,
Parks and Wildlife Code.

SECTION 2. The change in law made by this Act does not
affect tax liability accruing before the effective date of this
Act. That liability continues in effect as if this Act had not been
enacted, and the former law is continued in effect for the
collection of taxes due and for civil and criminal enforcement of
the liability for those taxes.

SECTION 3. This Act takes effect immediately if it receives
a vote of two-thirds of all the members elected to each house, as
provided by Section 39, Article III, Texas Constitution. If this
Act does not receive the vote necessary for immediate effect, this
Act takes effect September 1, 2025.