

By: Button

H.B. No. 4083

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from ad valorem taxation of certain perishable inventory held for sale at retail.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.38 to read as follows:

Sec. 11.38. PERISHABLE RETAIL INVENTORY. (a) In this section, "perishable inventory" means:

(1) any food or food product, other than alcohol, intended for human consumption that may spoil or otherwise become unfit for human consumption due to the nature, type, or physical condition of the food, including:

(A) fresh produce, including fruits and vegetables;

(B) fresh and processed meats, poultry, and fish;

(C) dairy products;

(D) bakery products;

(E) eggs;

(F) food that has been packaged, refrigerated, or frozen; and

(G) any food intended for immediate human consumption;

(2) a prescription drug or nonprescription drug, as defined by Section 551.003, Occupations Code; and

1 (3) a dietary supplement or vitamin intended for human
2 or animal consumption.

3 (b) Subject to Subsection (c), a person is entitled to an
4 exemption from taxation of the total appraised value of the
5 tangible personal property the person owns that consists of
6 perishable inventory held for sale by the person at retail and for
7 which the person is not otherwise entitled to an exemption from
8 taxation.

9 (c) A person is not entitled to an exemption under
10 Subsection (b) for a tax year in which the person owes a delinquent
11 tax to the state or a taxing unit on January 1 of that tax year.

12 SECTION 2. This Act applies only to an ad valorem tax year
13 that begins on or after January 1, 2026.

14 SECTION 3. This Act takes effect January 1, 2026, but only
15 if the constitutional amendment proposed by the 89th Legislature,
16 Regular Session, 2025, to authorize the legislature to exempt from
17 ad valorem taxation certain perishable inventory held for sale at
18 retail is approved by the voters. If that amendment is not approved
19 by the voters, this Act has no effect.