By: Bhojani H.B. No. 1130

A BILL TO BE ENTITLED

AN ACT

relating to a one-time credit against the ad valorem taxes imposed by a taxing unit on the first property that a person purchases and qualifies as the person's residence homestead and to the effect of the credit on the determination of the taxable value of a school district.

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

SECTION 1. Chapter 31, Tax Code, is amended by adding Section 31.039 to read as follows:

Sec. 31.039. TAX CREDIT FOR FIRST RESIDENCE HOMESTEAD. (a) In this section, "residence homestead" has the meaning assigned by Section 11.13.

(b) A person is entitled to a credit against the taxes imposed by a taxing unit on the residence homestead of the person in the first tax year following the year in which the person purchased the property if the person has not previously qualified a property as the person's residence homestead.

(c) The amount of the credit is equal to the lesser of:

(1) the amount computed by multiplying $3,000 by a fraction, the numerator of which is the amount of taxes imposed on the residence homestead by the taxing unit and the denominator of which is the total amount of taxes imposed on the residence homestead by all of the taxing units that impose taxes on the residence homestead; or

(2) one-half of the amount of taxes imposed on the residence homestead by the taxing unit.

(d) To receive a credit under this section, a person must file an application with the chief appraiser of the appraisal district in which the property is located. The application must include an affidavit affirming that the applicant is qualified for the credit. The application must be filed not later than the deadline for filing an application for a residence homestead exemption on the property for the tax year, including any provision authorizing the filing of a late application.

(e) The chief appraiser shall approve or deny an application under this section for each taxing unit for which the appraisal district appraises the property. A determination of the chief appraiser is subject to protest and appeal in the same manner as a determination to approve or deny an application for a residence homestead exemption.

(f) The chief appraiser shall forward a copy of the application to the assessor for each taxing unit that imposes taxes on the residence homestead and certify to the assessor whether the chief appraiser has approved or denied the application.

(g) The comptroller shall adopt rules for the administration of this section, including rules prescribing the documentation required to establish qualification for the credit.

(h) A person who has previously received a credit under this section may not receive a credit under this section in a subsequent tax year.

SECTION 2. Section 403.302, Government Code, is amended by

adding Subsection (d-2) to read as follows:

(d-2) For purposes of Subsection (d), taxable value does not include an amount equal to the taxable value required to generate revenue, when taxed at the school district's tax rate in the year that is the subject of the study, in an amount that is equal to the total amount of the credits provided by the district under Section 31.039, Tax Code, in that year.

SECTION 3. This Act applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

SECTION 4. This Act takes effect January 1, 2028, but only if the constitutional amendment proposed by the 90th Legislature, Regular Session, 2026, to authorize the legislature to provide for a one-time credit against the ad valorem taxes imposed by a political subdivision on the first property that a person purchases and qualifies as the person's residence homestead and to provide for the reimbursement of political subdivisions for the revenue loss incurred as a result of the credit is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.