

BILL ANALYSIS

C.S.S.B. 1214
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been noted that many involved in the agricultural industry require an aircraft in order to effectively do their work. Recognizing this fact and the importance of agriculture to the state's economy, state law provides a sales and use tax exemption on aircraft dedicated to agricultural use. However, as it is further noted, the exemption contains a restriction on the distance that the aircraft may fly to perform a qualifying agricultural service. It has been suggested that this restriction precludes too many Texans from qualifying their aircraft for the tax exemption. C.S.S.B. 1214 seeks to remove the restriction on the distance a qualifying aircraft may travel to perform a qualifying agricultural service.

CRIMINAL JUSTICE IMPACT

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

ANALYSIS

C.S.S.B. 1214 amends the Tax Code to remove restrictions on the distance an aircraft that qualifies for a sales and use tax exemption on the basis of agricultural use may travel to a location to perform a qualifying agricultural service.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 1214 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute does not include a provision replacing the restrictions on the distance of the applicable travel with a requirement that the applicable travel be intrastate travel but includes a provision that instead removes entirely the distance restrictions.