

BILL ANALYSIS

Senate Research Center

H.B. 2606
By: Ramsay (Ogden)
State Affairs
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Engrossed

DIGEST

Currently, the appraisal and taxation of manufactured housing inventories have presented special problems for appraiser and owners alike. In 1993, the legislature modified the method by which automobile dealers calculated inventory for tax purposes and in 1995 the legislature changed the method for calculating inventory value for boat dealers. This bill changes the method for establishing the value of retail manufactured housing inventory for purposes of ad valorem taxation and would provide for the prepayment of taxes owed to alleviate any problems that exist in this area.

PURPOSE

As proposed, H.B. 2606 sets forth provisions regarding the appraisal and ad valorem taxation of a retail manufactured housing inventory and provides certain penalties.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the comptroller in SECTION 2 (Sections 23.127(f) and 23.128(e), Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 23.12(a) and (f), Tax Code, to provide that except as provided by Sections 23.121, 23.12D, and 23.127, rather than Sections 23.12A and 23.12D of this code, the market values of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business. Authorizes a retail manufactured housing inventory as that term is defined by Section 23.127 to elect to have the inventory appraised at its market value as of September 1 of the year preceding the tax year to which the appraisal applies by filing a certain application.

SECTION 2. Amends Chapter 23B, Tax Code, by adding Sections 23.127 and 23.128, as follows:

Sec. 23.127. RETAIL MANUFACTURED HOUSING INVENTORY; VALUE. Defines "chief appraiser," "collector," "declaration," "department," "manufactured home," "manufactured housing," "owner," "retail manufactured housing inventory," "retailer," "retailer-financed sale," "sales price," "subsequent sale," and "total annual sales." Sets forth provisions regarding retail manufactured housing inventory and sets forth certain duties and responsibilities for a retailer.

Sec. 23.123. PREPAYMENT OF TAXES BY MANUFACTURED HOUSING RETAILERS. Defines "aggregate tax rate," "appropriate taxing unit," "chief appraiser," "collector," "declaration," "manufactured home," "manufactured housing," "owner," "retail manufactured housing inventory," "retailer," "sales price," "subsequent sale," "total annual sales," "statement," and "unit property tax factor." Outlines a method of the repayment of taxes by manufactured housing retailers.

SECTION 3. Effective date: January 1, 1998.
Makes application of this Act prospective.

SECTION 4. Emergency clause.