

BILL ANALYSIS

Senate Research Center
79R11262 MTB-F

H.B. 3240
By: Paxton (Averitt)
Jurisprudence
4/29/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, the Tax Code entitles families or single adults to certain residence homestead tax exemptions. Section 11.13(j) (relating to a qualifying trust as a residence homestead tax exemption), Tax Code, adds to the list of eligible homesteads those which are owned through a beneficial interest in a qualifying trust and occupied as a principal residence by a trustor of the trust.

Court-created trusts have the same effect as qualifying trusts and virtually all appraisal districts have correctly interpreted the legislative intent of Section 11.13(j), Tax Code, to include these court-created trusts. However, because the section does not specifically name court-created trusts, there is some ambiguity as to whether these court-created trusts are covered by the statute.

H.B. 3240 removes ambiguity from Section 11.13(j), Tax Code and ensures uniform application of the statute throughout the state to include court-created trusts.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.13(j)(3), Tax Code, to redefine "qualifying trust."

SECTION 2. Effective date: January 1, 2006. Makes this Act applicable only to a tax year that begins on or after the effective date of this Act.