

BILL ANALYSIS

Senate Research Center

C.S.H.B. 3144
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Finance
5/25/2009
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This bill extends the sales tax exemption for agricultural items to include tangible personal property, including tires or other equipment exclusively used or employed on a farm or ranch for specified purposes. It also clarifies the exemption from sales and use tax for machinery and equipment used in agricultural aircraft operations. This is consistent with current law because it affords agricultural aircraft the same tax exemptions extended to other forms of agricultural machinery.

C.S.H.B. 3144 amends current law relating to an exemption from the sales and use tax for property used in agricultural operations and for aircraft used in connection with agriculture.

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 151.316(a), Tax Code, to exempt certain items from the taxes imposed by this chapter, including tangible personal property, including a tire, sold or used to be installed as a component part of a motor vehicle, machinery, or other equipment exclusively used or employed on a farm or ranch in the building or maintaining of roads or water facilities or in the production of food for human consumption, grass, feed for animal life, or other agricultural products to be sold in the regular course of business; machinery and equipment exclusively used in an agricultural aircraft operation, as defined by 14 C.F.R. Section 137.3; and tangible personal property used for or incorporated into a structure that is used for the disposal of poultry carcasses in accordance with Section 26.303 (Handling and Disposal of Poultry Carcasses), Water Code.

SECTION 2. Makes application of Section 151.316(a), Tax Code, as amended by this Act, prospective.

SECTION 3. Provides that the changes in law made by this Act to Section 151.328, Tax Code, are a clarification of existing law and do not imply that the former law may be construed as inconsistent with the law as amended by this Act.

SECTION 4. Effective date: September 1, 2009.