

## **BILL ANALYSIS**

Senate Research Center  
84R1746 LEH-F

H.B. 275  
By: Ashby et al. (Nichols)  
Finance  
4/30/2015  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties note that current state statute does not reflect the common practice of eggs being included as a poultry product for taxation purposes despite this established practice already being in place in the real world. H.B. 275 seeks to address this issue.

H.B. 275 amends the Tax Code to establish an egg as a farm product, for purposes of the property tax exemption for farm products and regardless of whether the egg is packaged, and to redefine "in the hands of the producer" as it relates to that exemption to include eggs.

H.B. 275 amends current law relating to the exemption from ad valorem taxation of farm products.

### **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 Sections 11.16(a) and (c), Tax Code, as follows:

(a) Entitles a producer to an exemption from taxation of the farm products that the producer produces and owns. Provides that a nursery product, as defined by Section 71.041 (Definitions), Agriculture Code, is a farm product for purposes of this section if it is in a growing state. Provides that an egg, as defined by Section 132.001 (Definitions), Agriculture Code, is a farm product for purposes of this section, regardless of whether the egg is packaged.

(c) Provides that, for purposes of this exemption, the following definitions apply:

(1) Makes no change to this subdivision.

(2) Redefines "In the hands of the producer" to include "eggs." Makes nonsubstantive changes.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2016.