

BILL ANALYSIS

Senate Research Center
84R476 BEF-D

S.B. 140
By: Perry
Finance
1/23/2015
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 140 extends the current sales and use tax exemption for agriculture equipment to Global Positioning System (GPS) services used by farmers on tractors and other farm equipment. Under current law, the hardware used with the GPS service is exempt from sales and use tax, but the service is considered taxable. This bill will align tax law with the changing technologies in the field of agriculture.

As proposed, S.B. 140 amends current law relating to a sales and use tax exemption for telecommunications services used for the navigation of certain farm and ranch machinery and equipment.

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 151.1551(a), Tax Code, to add Section 157.316(a)(14) to a list of exemptions applicable to this section and make nonsubstantive changes.

SECTION 2. Amends Section 151.316(a), Tax Code, to provide that subject to Section 151.1551 (Registration Number Required for Timber and Certain Agricultural Items), certain items are exempted from the taxes imposed by this chapter, including telecommunications services exclusively provided or used for the navigation of machinery and 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.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2015.