

BILL ANALYSIS

Senate Research Center

S.B. 1847
By: Bettencourt
Finance
4/6/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Business personal property can be difficult to locate and complicated to value. Taxpayers are currently required to report their business personal property to appraisal districts by April 15, unless they obtain an extension to May 15. Since rendition statements are due during the busiest time of year for tax preparers, mistakes are common. Taxpayers should be allowed to correct errors on their rendition statements, just as they are allowed to correct errors on their tax returns.

As proposed, S.B. 1847 amends current law relating to the correction of an ad valorem tax appraisal roll and related appraisal records.

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 25.25, Tax Code, by adding Subsection (c-1) and amending Subsections (e) and (m), as follows:

(c-1) Authorizes the appraisal review board (board), on motion of the chief appraiser or of a property owner, to direct by written order changes in the appraisal roll or related appraisal records for the current tax year and for either of the two preceding tax years to correct an inaccuracy in the appraised value of the owner's tangible personal property that is the result of an error or omission in a rendition statement or property report filed under Chapter 22 (Renditions and Other Reports) for the applicable tax year. Prohibits the roll from being changed for any tax year in which:

(1) the property owner failed to timely file the rendition statement or property report in accordance with Section 22.23 (Filing Date) and was assessed a penalty under Section 22.28 (Penalty for Delinquent Report; Penalty Collection Procedures);

(2) the property was the subject of a protest brought by the property owner under Chapter 41 (Local Review), a hearing on the protest was conducted in which the owner offered evidence or argument, and the board made a determination of the protest on the merits;

(3) the property was the subject of a previous correction on motion of the property owner;

(4) the appraised value of the property was established as a result of a written agreement between the property owner or the owner's agent and the appraisal district.

(e) Provides that a party bringing a motion under Subsection (c), (c-1), or (d), if the chief appraiser and the property owner do not agree to the correction before a certain date, is entitled on request to a hearing on and a determination of the motion by the board.

(m) Requires that the hearing on a motion under Subsection (c) (relating to authorizing the board to direct changes in the appraisal roll for any of the five preceding years to correct certain errors), (c-1), or (d) (relating to authorizing a property owner or chief appraiser to file a certain motion with the board) be conducted in the manner provided by Subchapter C (Taxpayer Protest), Chapter 41 (Local Review).

SECTION 2. Makes application of this Act prospective.

SECTION 3. Provides that the changes in law made by this Act apply beginning with the 2017 tax year.

SECTION 4. Effective date: September 1, 2017.