

BILL ANALYSIS

S.B. 140
By: Perry
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The modern agriculture industry has begun to incorporate technologies that increase the safety, efficiency, and productivity of farming. Increasingly, farms utilize navigation equipment installed on equipment involved in seeding, maintaining, and harvesting crops. Such technology allows farms to reduce safety concerns such as driver error or fatigue and ensures that farm land is managed with an unprecedented degree of efficiency and precision. These benefits accrue to consumers in the form of reduced cost, to the environment in the form of efficient and responsible use of resources, and to farmers in the form of increased competitiveness. Interested parties assert that currently farmers and ranchers are afforded a sales tax exemption on the use of such equipment, but that the exemption does not address the telecommunications services required to operate the navigation equipment. S.B. 140 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 140 amends the Tax Code to expand the agricultural items exempted from the state sales tax to include 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.

EFFECTIVE DATE

September 1, 2015.