

**SUBJECT:** Authorizing tax exemption for certain farm production items

**COMMITTEE:** Ways & Means — favorable, without amendment

**VOTE:** 11 ayes — Meyer, Thierry, Button, Craddick, Gervin-Hawkins, Hefner, Muñoz, Noble, Raymond, Shine, Turner

0 nays

**WITNESSES:** For — Bill Carson, Texas Nursery and Landscape Association  
(*Registered, but did not testify*: Jenn Saenz, Texas & Southwestern Cattle Raisers Association; John Bender, Texas Corn Producers Association; Blake Roach, Texas Farm Bureau; Joe Morris, Texas Forestry Association; Ryan Skrobarczyk, Texas Nursery & Landscape Association; JC Essler, Texas Poultry Federation)

Against — None

On — (*Registered, but did not testify*: Rick Parker, Comptroller of Public Accounts)

**BACKGROUND:** Some have suggested that certain assets used by farmers to begin farm production, such as weaned animals, seeds, fertilizer, and pesticides, should be exempt from taxation like other farm products, livestock, poultry, and implements of animal husbandry to incentivize these essential contributions to the state economy.

**DIGEST:** HB 3241 would revise the Tax Code to exempt certain assets used for agricultural production from property taxes. Under the bill, an agriculture producer would be entitled to an exemption from taxation for any resource the producer utilized for production and for farm production inputs in the hands of the producer.

The bill would define "farm production inputs" to include seeds, weaned animals, fertilizer, pesticides, feed, and any other resources that would be necessary to produce crops, fruit, flowers, and other products of the soil,

or farm products defined under state law.

The bill would define "in the hands of the producer" as under the ownership of a person who would be utilizing farm production inputs on January 1 of the tax year.

The bill would take effect September 1, 2023.