

BILL ANALYSIS

Senate Research Center

S.B. 95
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Finance
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As Filed

DIGEST

Currently, the Property Code allows churches and certain other authorized entities a tax exemption when they purchase property and occupy that property on the 1st day of January of the following tax year. S.B. 95 authorizes a church, among certain other entities, to purchase property during the year and apply for a tax exemption the same year in which the church purchases the property.

PURPOSE

As proposed, S.B. 95 authorizes a church, among certain other entities, to purchase property during the year and apply for a tax exemption the same year in which the property is purchased.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.42, Tax Code, by adding Subsection (c) to authorize a person, who acquires property after January 1 of a tax year to receive upon qualification an exemption authorized by Section 11.17, 11.18, 11.19, 11.20, 11.21, 11.23, or 11.30 for the applicable portion of the tax year.

SECTION 2. Amends Section 11.43(d), Tax Code, to provide that to receive an exemption, the eligibility for which is determined by the claimant's qualifications on January 1 of the tax year, a person must file a completed exemption application form, to receive eligibility qualifications. Requires a person who after January 1 of a tax year acquires property that qualifies for an exemption covered by Section 11.42(c) to apply for the exemption before the first anniversary of the date the person acquires the property.

SECTION 3. Amends Chapter 26, Tax Code, by adding Section 26.112, as follows:

Sec. 26.112. PRORATING TAXES--ACQUISITION BY NONPROFIT ORGANIZATION. Provides a formula for tabulating the amount of tax due on acquired property for a portion of the acquisition year for a person who qualifies and is granted an exemption under Section 11.42(c). Provides a certain formula for tabulating the amount of tax due on property if the exemption terminates during the year of acquisition.

SECTION 4. Effective date: January 1, 1998.

SECTION 5. Emergency clause.