

BILL ANALYSIS

Senate Research Center
83R4850 SMH-F

S.B. 1085
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 82nd Legislature enacted H.B. 2476 that related to how heavy equipment dealers' inventory was appraised for property tax purposes. That legislation imposed a single appraisal standard and created consistent valuations of a dealer's inventory. It also inadvertently included entities that were not intended to be included under the new structure. These entities include leasing companies and banks that act as financial institutions rather than actual heavy equipment dealers. These entities do not maintain locations open to the public nor do they maintain an inventory that is available for sale, lease, or rent. S.B. 1085 seeks to clarify which entities are considered heavy equipment dealers.

As proposed, S.B. 1085 amends current law relating to the definitions of certain terms for purposes of the ad valorem taxation of certain dealer's heavy equipment inventory.

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 23.1241(a), Tax Code, by amending Subdivisions (1) and (2) and adding Subdivision (1-a), as follows:

- (1) Defines "business location" or "location at which the dealer conducts business."
- (1-a) Creates this subdivision from existing text and redefines "dealer."
- (2) Redefines "dealer's heavy equipment inventory."

SECTION 2. Provides that this Act applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2014.