

1-1 By: Perry S.B. No. 140
 1-2 (In the Senate - Filed November 10, 2014; January 27, 2015,
 1-3 read first time and referred to Committee on Finance;
 1-4 March 17, 2015, reported favorably by the following vote: Yeas 15,
 1-5 Nays 0; March 17, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Hinojosa	X			
1-9 Bettencourt	X			
1-10 Eltife	X			
1-11 Hancock	X			
1-12 Huffman	X			
1-13 Kolthorst	X			
1-14 Nichols	X			
1-15 Schwertner	X			
1-16 Seliger	X			
1-17 Taylor of Galveston	X			
1-18 Uresti	X			
1-19 Watson	X			
1-20 West	X			
1-21 Whitmire	X			

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to a sales and use tax exemption for telecommunications
 1-26 services used for the navigation of certain farm and ranch
 1-27 machinery and equipment.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. Section 151.1551(a), Tax Code, is amended to
 1-30 read as follows:

1-31 (a) This section applies to an exemption provided by:

1-32 (1) Section [Sections] 151.316(a)(6), (7), (8), (10),
 1-33 (11), ~~and~~ (12), or (14);

1-34 (2) Section 151.316(b) for tangible personal property
 1-35 used in the production of agricultural products for sale;

1-36 (3) Section 151.3162(b) for tangible personal
 1-37 property used in the production of timber for sale;

1-38 (4) Sections 151.317(a)(5) and (11) for electricity
 1-39 used in agriculture or timber operations; and

1-40 (5) Section 151.3111 for services performed on
 1-41 tangible personal property exempted under Section 151.316(a)(6),
 1-42 (7), (8), (10), (11), or (12), 151.316(b), or 151.3162(b).

1-43 SECTION 2. Section 151.316(a), Tax Code, is amended to read
 1-44 as follows:

1-45 (a) Subject to Section 151.1551, the following items are
 1-46 exempted from the taxes imposed by this chapter:

1-47 (1) horses, mules, and work animals;

1-48 (2) animal life the products of which ordinarily
 1-49 constitute food for human consumption;

1-50 (3) feed for farm and ranch animals;

1-51 (4) feed for animals that are held for sale in the
 1-52 regular course of business;

1-53 (5) seeds and annual plants the products of which:

1-54 (A) ordinarily constitute food for human
 1-55 consumption;

1-56 (B) are to be sold in the regular course of
 1-57 business; or

1-58 (C) are used to produce feed for animals exempted
 1-59 by this section;

1-60 (6) fertilizers, fungicides, insecticides,
 1-61 herbicides, defoliant, and desiccants exclusively used or

2-1 employed on a farm or ranch in the production of:
 2-2 (A) food for human consumption;
 2-3 (B) feed for animal life; or
 2-4 (C) other agricultural products to be sold in the
 2-5 regular course of business;
 2-6 (7) machinery and equipment exclusively used or
 2-7 employed on a farm or ranch in the building or maintaining of roads
 2-8 or water facilities or in the production of:
 2-9 (A) food for human consumption;
 2-10 (B) grass;
 2-11 (C) feed for animal life; or
 2-12 (D) other agricultural products to be sold in the
 2-13 regular course of business;
 2-14 (8) machinery and equipment exclusively used in, and
 2-15 pollution control equipment required as a result of, the
 2-16 processing, packing, or marketing of agricultural products by an
 2-17 original producer at a location operated by the original producer
 2-18 for processing, packing, or marketing the producer's own products
 2-19 if:
 2-20 (A) 50 percent or more of the products processed,
 2-21 packed, or marketed at or from the location are produced by the
 2-22 original producer and not purchased or acquired from others; and
 2-23 (B) the producer does not process, pack, or
 2-24 market for consideration any agricultural products that belong to
 2-25 other persons in an amount greater than five percent of the total
 2-26 agricultural products processed, packed, or marketed by the
 2-27 producer;
 2-28 (9) ice exclusively used by commercial fishing boats
 2-29 in the storing of aquatic species including but not limited to
 2-30 shrimp, other crustaceans, finfish, mollusks, and other similar
 2-31 creatures;
 2-32 (10) tangible personal property, including a tire,
 2-33 sold or used to be installed as a component part of a motor vehicle,
 2-34 machinery, or other equipment exclusively used or employed on a
 2-35 farm or ranch in the building or maintaining of roads or water
 2-36 facilities or in the production of:
 2-37 (A) food for human consumption;
 2-38 (B) grass;
 2-39 (C) feed for animal life; or
 2-40 (D) other agricultural products to be sold in the
 2-41 regular course of business;
 2-42 (11) machinery and equipment exclusively used in an
 2-43 agricultural aircraft operation, as defined by 14 C.F.R. Section
 2-44 137.3;
 2-45 (12) tangible personal property incorporated into a
 2-46 structure that is used for the disposal of poultry carcasses in
 2-47 accordance with Section 26.303, Water Code; ~~and~~
 2-48 (13) tangible personal property incorporated into or
 2-49 attached to a structure that is located on a commercial dairy farm,
 2-50 is used or employed exclusively for the production of milk, and is:
 2-51 (A) a free-stall dairy barn; or
 2-52 (B) a dairy structure used solely for maternity
 2-53 purposes; and
 2-54 (14) telecommunications services exclusively provided
 2-55 or used for the navigation of machinery and equipment exclusively
 2-56 used or employed on a farm or ranch in the building or maintaining
 2-57 of roads or water facilities or in the production of:
 2-58 (A) food for human consumption;
 2-59 (B) grass;
 2-60 (C) feed for animal life; or
 2-61 (D) other agricultural products to be sold in the
 2-62 regular course of business.

2-63 SECTION 3. The changes in law made by this Act do not affect
 2-64 tax liability accruing before the effective date of this Act. That
 2-65 liability continues in effect as if this Act had not been enacted,
 2-66 and the former law is continued in effect for the collection and
 2-67 enforcement of those taxes.

2-68 SECTION 4. This Act takes effect September 1, 2015.