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Property Tax Exemption for Farm Products

HB 20 – SB 23

Bill Text

A BILL TO BE ENTITLED
AN ACT

relating to the definitions of certain terms for purposes of the exemption from ad valorem taxation of farm products in the hands of the producer.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 11.16(c), Tax Code, is amended to read as follows:

(c) For purposes of this exemption, the following definitions apply:

(1) "Farm products" has the meaning assigned by Section 9.102, Business & Commerce Code, except that the term includes [~~include livestock,~~] poultry, eggs, and timber, including standing timber.

(2) "In the hands of the producer [~~,~~]" means:

(A) for farm products other than timber, [~~livestock, poultry, and eggs, means~~] under the ownership of the person who is using or financially providing for the physical requirements of such farm products [~~livestock, poultry, and eggs~~] on January 1 of the tax year; and

(B) [~~,~~] for timber, [~~means~~] standing timber or timber that has been harvested and, on January 1 of the tax year, is located on the real property on which it was produced and is under the ownership of the person who owned the timber when it was standing.

SECTION 2. This Act applies only to a tax year beginning on or after January 1, 2027.

SECTION 3. This Act takes effect January 1, 2027.