

AN ACT

1
2 relating to a sales and use tax exemption for telecommunications
3 services used for the navigation of certain farm and ranch
4 machinery and equipment.

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

6 SECTION 1. Section 151.1551(a), Tax Code, is amended to
7 read as follows:

8 (a) This section applies to an exemption provided by:

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

11 (2) Section 151.316(b) for tangible personal property
12 used in the production of agricultural products for sale;

13 (3) Section 151.3162(b) for tangible personal
14 property used in the production of timber for sale;

15 (4) Sections 151.317(a)(5) and (11) for electricity
16 used in agriculture or timber operations; and

17 (5) Section 151.3111 for services performed on
18 tangible personal property exempted under Section 151.316(a)(6),
19 (7), (8), (10), (11), or (12), 151.316(b), or 151.3162(b).

20 SECTION 2. Section 151.316(a), Tax Code, is amended to read
21 as follows:

22 (a) Subject to Section 151.1551, the following items are
23 exempted from the taxes imposed by this chapter:

24 (1) horses, mules, and work animals;

- 1 (2) animal life the products of which ordinarily
2 constitute food for human consumption;
- 3 (3) feed for farm and ranch animals;
- 4 (4) feed for animals that are held for sale in the
5 regular course of business;
- 6 (5) seeds and annual plants the products of which:
7 (A) ordinarily constitute food for human
8 consumption;
- 9 (B) are to be sold in the regular course of
10 business; or
- 11 (C) are used to produce feed for animals exempted
12 by this section;
- 13 (6) fertilizers, fungicides, insecticides,
14 herbicides, defoliants, and desiccants exclusively used or
15 employed on a farm or ranch in the production of:
16 (A) food for human consumption;
- 17 (B) feed for animal life; or
- 18 (C) other agricultural products to be sold in the
19 regular course of business;
- 20 (7) machinery and equipment exclusively used or
21 employed on a farm or ranch in the building or maintaining of roads
22 or water facilities or in the production of:
23 (A) food for human consumption;
- 24 (B) grass;
- 25 (C) feed for animal life; or
- 26 (D) other agricultural products to be sold in the
27 regular course of business;

1 (8) machinery and equipment exclusively used in, and
2 pollution control equipment required as a result of, the
3 processing, packing, or marketing of agricultural products by an
4 original producer at a location operated by the original producer
5 for processing, packing, or marketing the producer's own products
6 if:

7 (A) 50 percent or more of the products processed,
8 packed, or marketed at or from the location are produced by the
9 original producer and not purchased or acquired from others; and

10 (B) the producer does not process, pack, or
11 market for consideration any agricultural products that belong to
12 other persons in an amount greater than five percent of the total
13 agricultural products processed, packed, or marketed by the
14 producer;

15 (9) ice exclusively used by commercial fishing boats
16 in the storing of aquatic species including but not limited to
17 shrimp, other crustaceans, finfish, mollusks, and other similar
18 creatures;

19 (10) tangible personal property, including a tire,
20 sold or used to be installed as a component part of a motor vehicle,
21 machinery, or other equipment exclusively used or employed on a
22 farm or ranch in the building or maintaining of roads or water
23 facilities or in the production of:

24 (A) food for human consumption;

25 (B) grass;

26 (C) feed for animal life; or

27 (D) other agricultural products to be sold in the

1 regular course of business;

2 (11) machinery and equipment exclusively used in an
3 agricultural aircraft operation, as defined by 14 C.F.R. Section
4 137.3;

5 (12) tangible personal property incorporated into a
6 structure that is used for the disposal of poultry carcasses in
7 accordance with Section 26.303, Water Code; ~~and~~

8 (13) tangible personal property incorporated into or
9 attached to a structure that is located on a commercial dairy farm,
10 is used or employed exclusively for the production of milk, and is:

11 (A) a free-stall dairy barn; or

12 (B) a dairy structure used solely for maternity
13 purposes; and

14 (14) telecommunications services exclusively provided
15 or used for the navigation of machinery and equipment exclusively
16 used or employed on a farm or ranch in the building or maintaining
17 of roads or water facilities or in the production of:

18 (A) food for human consumption;

19 (B) grass;

20 (C) feed for animal life; or

21 (D) other agricultural products to be sold in the
22 regular course of business.

23 SECTION 3. The changes in law made by this Act do not affect
24 tax liability accruing before the effective date of this Act. That
25 liability continues in effect as if this Act had not been enacted,
26 and the former law is continued in effect for the collection and
27 enforcement of those taxes.

1 SECTION 4. This Act takes effect September 1, 2015.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 140 passed the Senate on March 30, 2015, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 140 passed the House on May 15, 2015, by the following vote: Yeas 136, Nays 3, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor