

NO: _____



United Independent School District

AGENDA ACTION ITEM

TOPIC: Consideration for Approval of Resolution to Tax Tangible Personal Property in Transit

SUBMITTED BY: Norma Farabough, RTA, CSTA, CTA OF: Tax Office

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: October 19, 2011

RECOMMENDATION:

That the UISD Board of Trustees adopt the resolution as presented to tax tangible personal property in transit which would otherwise be exempt pursuant to Texas Property Tax Code Section 11.253

RATIONALE:

This resolution needs to be adopted after October 1, 2011 and before January 1, 2012 in order to tax personal property in transit for 2012 and future years.

BUDGETARY INFORMATION:

Potential loss of more than 246 million in property value and more than 2.9 million in tax revenue.

BOARD POLICY REFERENCE AND COMPLIANCE:

Texas Property Tax Code Section 11.253

A RESOLUTION OF THE UNITED INDEPENDENT SCHOOL DISTRICT TO TAX TANGIBLE PERSONAL PROPERTY IN TRANSIT WHICH WOULD OTHERWISE BE EXEMPT PURSUANT TO TEXAS TAX CODE, SECTION 11.253

WHEREAS, the 82nd Texas Legislature in its First Called Session has enacted Senate Bill 1, including Section 48.02 thereof to take effect on October 1, 2011, which would amend Texas Tax Code § 11.253 to exempt from taxation certain tangible personal property that is acquired in or imported into this state to be forwarded to another location in this state or outside this state; is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in this state that are not in any way owned or controlled by the owner of the personal property for the account of the person who acquired or imported the property; is transported to another location in this state or outside this state not later than 175 days after the date the person acquired the property in or imported the property into this state; and does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory ("goods-in-transit"), which property has been subject to taxation in the past; and

WHEREAS, Texas Tax Code §11.253 as amended allows the governing body of a taxing unit, after conducting a public hearing, to provide for the continued taxation of such goods-in-transit; and

WHEREAS, the Board of Trustees of the United Independent School District, having conducted a public hearing as required by Section 1-n (d), Article VIII, Texas Constitution, is of the opinion that it is in the best interests of the district to continue to tax such goods-in-transit;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES FOR THE UNITED INDEPENDENT SCHOOL DISTRICT THAT:

The goods-in-transit, as defined Texas Tax Code 11.253(a)(2), as amended by Senate Bill 1, enacted by the 82nd Texas Legislature in its First Called Session, shall remain subject to taxation by the United Independent School District.

Passed by the Board of Trustees on this the 19th day of October, 2011.

Mr. Judd Gilpin, President

Attest:

Mr. Ricardo Rodriguez, Secretary