

# 89th Texas Legislative Session

## HB 9 – Marvel or Chaos?



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# The Exemption for Personal Property Producing Income

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# The Exemption for Personal Property Producing Income

## A Quick History

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- The value of personal property producing income in Texas was fully taxable at the local level until 1995.
- Beginning in 1996, an exemption for property valued below the minimum cost of administration was established. **This was less than \$500.**
  - **If your TPPPI was \$499 you did not pay tax.**
  - **If your TPPPI was \$501 you paid tax on the entire amount.**
- In 2022, the legislature increased this minimum to **less than \$2,500.**



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- **Legislative History Overview of HB 9**
  - Targeted property tax relief for small businesses.
  - Primarily authored by State Representative Morgan Meyer (R-Dallas, District 108).
  - After House W&M Committee Hearing with business lobby testimony, bill sought to increase the exemption threshold from less than \$2,500 **to \$250,000** for business personal property used for the production of income.
  - Proposed to be effective as of January 1, **2025**.
  - Fiscal Note showed a \$300 Million biennial state cost.
  - Passed House 118 Y / 24 N / 8A.
  - Exemption amount **reduced in Senate to \$125,000**.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145



### Bexar CAD:

	# OF ACCTS	% OF ACCTS	MKT VALUE	% OF MKT VALUE
TOTAL BPP ACCTS	45,083	100%	\$22,432,290,042	100%
GREATER THAN \$125,000	10,272	23%	\$21,583,346,761	96%
LESS THAN \$125,000	34,811	77%	\$848,943,281	4%
		100%		100%



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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### Denton CAD:

- 76% of all BPP accounts will become totally exempt.
- 7.5% of taxable BPP value will come off the roll.
- 0.5% of the total taxable value in Denton County will come off the roll.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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### Grayson CAD:

- 74% of all BPP accounts will become totally exempt.
- 10% of taxable BPP value will come off the roll.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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### Harris CAD:

- 75% of all BPP accounts become totally exempt.
- 9% of taxable BPP value will come off the roll.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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### Hidalgo CAD:

- 80.5% of all BPP accounts will become totally exempt.
- 22.75% of taxable BPP value will come off the roll.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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### Midland CAD:

- 75% of all BPP accounts will become totally exempt.
- 16% of taxable BPP value will come off the roll.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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### Smith CAD:

- 75% of all BPP accounts will become totally exempt.
- 6% of taxable BPP value will come off the roll.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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### Tom Green CAD:

- 78% of all BPP accounts will become totally exempt.
- 10% of taxable BPP value will come off the roll.
- 2% of the total taxable value in Tom Green County will come off the roll.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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### Travis CAD:

- 76% of all BPP accounts will become totally exempt.
- 9% of taxable BPP value will come off the roll.
- 0.58% of total taxable value in Travis County will come off the roll.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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### Wichita CAD:

- 80% of all BPP accounts become totally exempt.
- \$2 Million of tax dollars lost!



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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### Williamson CAD:

- 50.9% of all BPP accounts will become totally exempt.
- 13.5% of taxable BPP value will come off the roll.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

### Things That *Could* Happen

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# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

### Things That *Could* Happen

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- Could result in decrease in certain taxing units' tax base.
- Could impact VATRs and tax rates in 2027 and forward.
- Could result in a tax burden shift.
- Could result in a lot more work for CAD BPP Departments to figure out what is on the roll, what was rendered or not rendered correctly, and what is exempt.
- Could result in less work for CAD BPP Departments a few years from now because less accounts with taxable value.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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## HB 9 In a Snapshot



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- Exempts **\$125,000** of the appraised value of tangible personal property held for the production of income on each account.
  - This would replace the current exemption of **less than \$2,500** in taxable value.
  - If your property is less than \$125K you pay no tax.
  - If your property is over \$125K you only pay on amount over that.
- Property of **related business** entities are **aggregated** to determine the taxable amount and the \$125,000 exemption amount in a taxing unit.
- The exemption is only allowed **once for each location** of a “related business entity” or a “unified business enterprise.”
- A person who **leases** their personal property used in the production of income is entitled to one \$125,000 exemption of the property located in a taxing unit regardless of its location in the taxing unit.
- If a person has TPP in a taxing unit at locations not owned or not leased by the person, then all TPP in that taxing unit is **aggregated** and one exemption of \$125,000 is applied.
- **Status: Signed by Governor June 12, 2025.**
- **Effective: January 1, 2026, upon voter approval of Constitutional amendment HJR 1, November 4, 2025.**

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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### KEY TERMS



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145(a)(1)

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- What is a “related business entity?”
- 11.145(a)
  - (1) “... a business entity that:
    - (A) engages in a common business enterprise with at least one other business entity; and
    - (B) owns tangible personal property that:
      - (i) is held or used for the production of income as part of the common business enterprise; and
      - (ii) *is located at the same physical address that tangible personal property owned by at least one other business entity engaged in the common business enterprise is located.*”

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145(a)(1)



- **Example of a “related business entity?”**
- Imagine you have Tony Stark, CEO of Stark Industries (a tech manufacturing firm focused on advanced weaponry and clean energy solutions) and his associate, James Rhodes’, Stark Innovations LLC (a specialized R&D consultancy for AI-driven prototypes).
- Both entities are headquartered at the same mansion-lab complex on Lake Travis in Austin, Travis County, Texas.
- Together, Stark and Rhodes form a business enterprise developing arc reactor technology—Stark Industries handles production and sales, while Stark Innovations LLC focuses on design. They share revenue streams and intellectual property.
- Under HB 9, these qualify as related business entities because:
  - **They engage in a unified enterprise** (arc tech development for profit).
  - Each owns income-producing tangible personal property (e.g., Stark Industries owns welding machines and assembly tools; Stark Innovations owns 3D printers and diagnostic equipment), **all located at the shared location / site.**



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145(a)(2)

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- What is a “unified business enterprise?”
- 11.145(a)
  - (2) “... a common business enterprise composed of more than one related business entity.”

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145(a)(2)

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- So, for a “unified business enterprise” you will typically need:
  - Two or more business entities working together toward a shared profit-making goal.
  - All relevant BPP must be located at the same address.
  - The appraised value of all related business entities are added together to determine if the total is more than \$125,000.
  - One rendition should be filed per unified business enterprise.
  - Goal is to prevent gaming the system by splitting one business into enough shells for each to be under and secure the full \$125,000 exemption.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145(a)(2)



- **Example of a “unified business enterprise?”**
- Imagine you have Tony Stark, CEO of Stark Industries (a tech manufacturing firm focused on advanced weaponry and clean energy solutions) and his associate Pepper Potts’s Rescue Armor Labs LLC (a specialized R&D consultancy for in-flight stabilizers). They jointly develop and sell Mark LXXXV Iron Man foot armor and propulsion (shared patents, revenue split 60/40).
- Both entities are at 10880 Lakepointe, Austin, TX 78738, the same mansion-lab complex on Lake Travis in Austin, Travis County, Texas.
- Together assume they have \$850,000 of BPP.
- Together, Stark and Potts have a “unified business enterprise.”
- **Total BPP value is \$850,000. Apply the \$125,000 BPP Exemption for Travis County = \$725,000 of taxable value.**



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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The new law incorporates “aggregation” and distinctions based on:

- **Where** the property is located (i.e., owned or leased real estate),
- **How** the property is owned (directly or by related entities), and
- **How** the property is used (held for sale, lease, or consignment).

Location of Property	Property Is Held for Sale, Leased, or by Consignment	Aggregation Method
In real property owned or leased by TPP owner	Sale	Aggregated by an individual location within Taxing Unit
In real property owned or leased by TPP owner	Leased	Aggregated regardless of number of individual locations within each Taxing Unit
In real property <u>not</u> owned or leased by TPP owner	Leased or consignment	Aggregated as to all BPP within Taxing Unit

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- **LET'S START PUTTING THIS ALL TOGETHER!**





**STARK INDUSTRIES**



## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(b), (c), (f)

- Look at Tax Code Sections 11.145(b), (c), and (f).
- This exemption is applied to the appraised value of the tangible personal property used for the production of income a person owns that is at the same location in a taxing unit.
- The exemption amount is \$125,000.

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**STARK INDUSTRIES**



## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(b), (c), (f)

- Example 1:
- Stark Industries is at only one location, and it owns that property.
- The situs / location is 123 Park Avenue.
- SI owns \$200,000 of TPP at this location.
- The exemption is \$125,000 for each location in a taxing unit.
- The taxable value here to Midtown ISD, a taxing unit with jurisdiction of SI's Park Ave location, is \$75,000
  - $(\$200,000 - \$125,000 = \$75,000)$ .
- Since we have only one location, this would also be the same taxable value for the City, the County, and other taxing units too.

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## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(c)

- Look at 11.145(c).
- The exemption of \$125,000 in 11.145(b) is applied to **each location in a taxing unit** where the owner's property is located.
- After the application of the exemptions for each location, the taxable value in the taxing unit is aggregated.
- This is done by adding up the values at each location in a taxing unit that exceed the amount exempted at all those locations, if any.





## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(c)

- Example 2:
- PPCO owns some grocery stores – Delmar's.
- Delmar's Store 101 has a location at 123 Main St. in San Antonio with BPP having an appraised value of \$1,000,000.
- PPCO also has another location, Delmar's Store 102 at 100 San Pedro Ave. in San Antonio with BPP having an appraised value of \$725,000.
- How does application of the \$125,000 exemption work?
- 123 Main St. – Appraised BPP Value: \$1,000,000
  - Less HB 9 exemption: \$125,000
  - Taxable BPP value = \$875,000
- 100 San Pedro Ave. – Appraised BPP value: \$725,000
  - Less HB 9 exemption: \$125,000
  - Taxable BPP value = \$600,000



## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(c)

- The exemption is not shared among taxing units.
- Each taxing unit applies its own \$125,000 exemption at each location.
- Location 1: 123 Main St. – Appraised Value of BPP \$1,000,000
  - City of San Antonio:  $\$1,000,000 - \$125,000 = \$875,000$  taxable
  - Bexar County:  $\$1,000,000 - \$125,000 = \$875,000$  taxable
  - ISD:  $\$1,000,000 - \$125,000 = \$875,000$  taxable
- Location 2: 100 San Pedro Ave. – Appraised Value of BPP \$725,000
  - City of San Antonio:  $\$725,000 - \$125,000 = \$600,000$  taxable
  - Bexar County:  $\$725,000 - \$125,000 = \$600,000$  taxable
  - ISD:  $\$725,000 - \$125,000 = \$600,000$  taxable



## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(c)

- How does aggregating the taxable value of all locations in a taxing unit per 11.145(c) work?
- Delmar's taxable value in San Antonio after exemptions would be:
  - 123 Main St.: \$875,000100
  - 100 San Pedro Ave.: \$600,000
  - Aggregated total = \$1,475,000.
  - The aggregated total matters for the roll and reporting.

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## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(b), (c)

- Look at 11.145(c).
- The exemption of \$125,000 in 11.145(b) is applied to **each location in a taxing unit** where the owner's property is located.
- After the application of the exemptions for each location, the taxable value in the taxing unit is aggregated.
- This is done by adding up the values at each location in a taxing unit that exceed the amount exempted at all those locations, if any.



**STARK INDUSTRIES**



## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(b), (c)

- Example 3:
- Stark Industries owns \$200,000 worth of BPP located at 123 Park Ave. in downtown Wichita Falls.
- Stark Industries also owns \$50,000 worth of property located at 456 Lexington St. in downtown Wichita Falls.
- Stark Industries owns the property at both locations.
- The \$125,000 exemption is applied to the value of the property at each location and the value exceeding the exempt amount, if any, is aggregated to determine the taxable value.
- The taxable value in this scenario is still \$75,000:
  - \$200,000 (property at 123 Park Ave.) - \$125,000 exemption = \$75,000 for Park Ave.
  - +
  - \$50,000 (property at 456 Lexington St.) - \$125,000 exemption = \$0 for Lexington St.
  - \$75,000 + \$0 = \$75,000 taxable value for all the taxing units imposing taxes on this property at both of these locations.
  - Here, let us assume that would be Wichita County, City of Wichita Falls, and Midtown ISD.

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**STARK INDUSTRIES**



**HB 9 (Meyer); HJR 1 (Meyer)  
Tax Code §§ 11.145(b), (c), (f)**

- Example 4:
- Using the facts from the previous Example 3, can Stark Industries move and apply the \$75,000 exemption left over from the property at 456 Lexington St. to the 123 Park Ave. account to reduce its taxable value to Midtown ISD?
- **NO!**

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## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(b), (c), (f)000

- Look at 11.145(c).
- The exemption of \$125,000 in 11.145(b) is applied to **each location in a taxing unit** where the owner's property is located.



## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(b), (c), (f)

- Example 5:
- Kingpin runs Fisk Industries.
- He owns a large tract of land with large warehouses of TPP in the western part of Tarrant County.
- Two school districts have taxable jurisdiction over this property. BPP managers think he used to run a game to reduce his inventory and taxes.
- Fisk Industries owns \$800,000 worth of TPP located in Fort Worth ISD's jurisdiction.
- FI also owns \$50,000 worth of property located in Eagle Mountain-Saginaw ISD's jurisdiction.
- The \$125,000 exemption is applied to the value of the TPP at each of the taxing unit jurisdictions.
- The taxable value in this scenario is:
  - \$800,000 (property in FWISD) - \$125,000 exemption = \$675,000 of taxable value for FWISD.
  - \$50,000 (property in EMSISD) - \$125,000 exemption = \$0 of taxable value for EMSISD.
  - 850,000 (property in Tarrant County) - \$125,000 exemption = \$725,000 of taxable value for Tarrant County.



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## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(a), (f)

- Sections 11.145(a)(1), (2) and (f) cover “related business entities” and “unified business enterprises.”
- The taxable value for “**related business entities**” is determined by aggregating the appraised value of the property owned by the entity with the appraised value of the property owned by each other related business entity that composes the same “**unified business enterprise.**”
- Section 11.145(f) seeks to prevent property owners from creating multiple business entities, so they can’t obtain multiple exemptions.



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## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(a), (f)

- Example 6:
- Oscorp Industries owns TPP used for the production of income worth \$500,000 located at 456 Park Ave. in downtown Wichita Falls.
- In order receive a total exemption, the Green Goblin, who owns Oscorp, gets clever. He creates Oscorp B, Oscorp C and Oscorp D too.
- All four companies attempt to claim an exemption on part of the TPP located at 456 Park Ave. under Section 11.145(b).
  - Oscorp \$125,000 value - \$125,000 exemption = \$0 taxable value.
  - Oscorp B \$125,000 value - \$125,000 exemption = \$0 taxable value.
  - Oscorp C \$125,000 value - \$125,000 exemption = \$0 taxable value.
  - Oscorp D \$125,000 value - \$125,000 exemption = \$0 taxable value.
- According to Green Goblin, the entire \$500,000 arguably ends up exempt, right? BUT...



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## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(a), (f)

- BUT... the Texas Legislature is ahead of things here.
- **Because of Sections 11.145(a)(1), (2), and (f), Oscorp must aggregate** the appraised values of the property owned by Oscorp, Oscorp B, Oscorp C, and Oscorp D at that same location in the taxing unit in determining its taxable value. This gives the same result as if Oscorp owned all of the property itself.
- \$125,000 of Oscorp's value +
- \$125,000 of Oscorp B's value +
- \$125,000 of Oscorp C's value +
- \$125,000 of Oscorp D's value
- = \$500,000 aggregated value
- - \$125,000 exemption per taxing unit / location
- = **\$375,000 taxable value to Wichita Falls.**



## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(b), (c), (f)

- Example 7:
- Assume Green Goblin via Oscorp Industries owns a convenience store at 456 Park Ave. Assume this convenience store has FFE worth \$200,000. GG is in league with Doctor Octopus who has the liquor license via Sinister Solutions a subsidiary of Oscorp. Assume the liquor / merchandise is worth \$50,000.
- *How might the appraisal district allocate the exemption here to the various taxing units?*
  - The chief appraiser probably gets to determine this, but CA should give the full exemption benefit.



## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(b), (c), (f)

- Example 7:
- The situs / location is 456 Park Avenue. Oscorp owns \$200,000 of FFE. \$125,000 TOTAL is exempt.
- The taxable value for Midtown ISD, a taxing unit with jurisdiction of Oscorp could be \$100,000 as allocated by the chief appraiser (\$200,000 - \$100,000 = \$100,000). This could also be the same for the City and the County.
- The situs / location is 456 Park Avenue.
- Sinister with the Liq. Lic. owns \$50,000 of liquor / merchandise. \$125,000 TOTAL is exempt. The taxable value for Midtown ISD, a taxing unit with jurisdiction of Sinister could be \$25,000 as allocated by the chief appraiser (\$50,000 - \$25,000 = \$25,000). This could also be the same for the City and the County.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145 (d), (e)

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- Look at Tax Code Sections 11.145(d) and (e).
- Section 11.145(d) states: “**A person who leases** tangible personal property is entitled to an exemption from taxation by a taxing unit of \$125,000 of the total appraised value of all the tangible personal property the person **owns that is held or used for the production of income and is subject to a lease, regardless of where the property is located in the taxing unit.**”
- This means that if the taxpayer leases the TPP, then all of that leased TPP within the taxing unit **is aggregated** and **receives a single \$125,000 exemption per taxing unit, regardless of how many locations are involved.**



## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145(d), (e)

- Example 8:
- Captain America owns Liberty LLC, which has \$225,000 worth of TPP for production of income (gym and workout equipment) located at 1776 Freedom Way in downtown Austin and \$50,000 worth of similar TPP located off of FM 620 in the City of Lakeway. Both cities are in Travis County, Texas.
- Liberty LLC leases its TPP from these two locations.
- For the City of Austin, the \$125,000 exemption is applied to the property Liberty LLC owns and leases at 1776 Freedom Way.
  - $\$225,000 - \$125,000 = \$100,000$  taxable value for City of Austin.
- For the City of Lakeway, the \$125,000 exemption is applied to the property Liberty LLC owns and leases off of FM 620.
  - $\$50,000 - \$125,000 = \$0$  taxable value for City of Lakeway.
- For Travis County, because Liberty LLC leases both sets of TPP within Travis County, the exemption is aggregated under Section 11.145(d).
  - Therefore: Total leased TPP in Travis County = \$225,000 (in Austin) + \$50,000 (in Lakeway) = \$275,000 - \$125,000 (single exemption per taxing unit) = \$150,000 of total taxable value to Travis County.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145 (d-1), (e)

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- Look at Tax Code Sections 11.145(d-1) and (e).
- A property owner is entitled to the \$125,000 exemption for TPP **they own if the TPP is located in the taxing unit at any location that is not owned or leased by the property owner**, regardless of where the TPP is located within the taxing unit.
- **The \$125,000 exemption is applied to each separate taxing unit.**



## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145 (d-1), (e)

- Example 9:
- Gamma Research Labs owns \$200,000 worth of TPP for the production of income at 1313 Banner Rd. in downtown Austin.
- GRL also owns \$500,000 worth of property located off of FM 620 in Lakeway.
- GRL consigns its wares and does not own or lease either the 1313 Banner or FM 620 locations (that are both in Travis County, Texas).
- For the City of Austin, the \$125,000 exemption is applied to GRL's owned property while at 1313 Banner Rd. in downtown Austin.
  - $\$200,000 - \$125,000 = \$75,000$  taxable value for the City of Austin.
- For the City of Lakeway, the \$125,000 exemption is applied to GRL's owned property while at the location off of FM 620 in Lakeway.
  - $\$500,000 - \$125,000 = \$375,000$  taxable value for the City of Lakeway.
- For Travis County, consigned goods is an important detail here — because GRL doesn't own or lease those specific locations, ownership of the property itself still drives the exemption, not the lease status. So, Travis County sees:
  - $\$200,000 + \$500,000 = \$700,000$  total taxable personal property owned in Travis County. Subtract the \$125,000 exemption amount = \$575,000 taxable value in Travis County.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145 (g)

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- The chief appraiser may:
  - 1) Investigate a business entity to determine whether the entity is a “related business entity” and
  - 2) Investigate a business entity to determine whether the entity has aggregated its TPP as provided by Section 11.145(f).



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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Other HB 9 Oddities /  
Questions...



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- [Other HB 9 Oddities / Questions...](#)
- **Example 10:**
  - Dario Agger is the CEO of the Roxxon Energy Corporation, he owns \$20,000,000 of Heavy Equipment.
  - Justin Hammer is the CEO of Hammer Industries, he owns \$10,000,000 of vessel and outboard motor inventory.
  - Wilson Fisk, CEO of Fisk Industries owns \$5,000,000 of manufactured homes.
  - Norman Osborn, CEO of Oscorp owns \$7,500,000 of exotic sports cars at his auto dealership.
  - The above all own this TPP at properties they own in Denton County, Texas. Is their special inventory allowed the TPP for production of income \$125,000 exemption?
- **Yes.** Dealer inventory under SIT seems to be tangible personal property held for income production, so the exemption reduces the taxable appraised value for SIT purposes.
- However, it does not eliminate or exempt the SIT system or escrow accounts themselves.
- So, the appraised value would be based on the last year's average retail sales as per Chapter 23 with the deduction of \$125K from that value to arrive at the taxable value.
- But since the payments are made without that deduction and there is no refund allowed, there may be little practical benefit to the SIT/VIT owner.
  - Their likely overage in 2026 will go to the taxing units by February 2027.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- Other HB 9 Oddities / Questions...
- Example 11:
  - Norman Osborn, CEO of Oscorp owns \$7,500,000 of exotic sports cars at his auto dealership. CAD has property on two accounts a main account and a SIT account. The chief appraiser is perplexed on what to do here.
  - In a normal situation the CAD should allocate to the main account first and then, if there's any left over, apply the rest of the exemption to the SIT account.
    - There is no reason why the SIT would not qualify for this exemption just because the appraisal methodology is different.
    - Of course, the payment mechanism has not changed and there could be nonrefundable SIT overages because of any application of this new exemption.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- Other HB 9 Oddities / Questions...
- Example 12:
  - A medical office building in King County has an account with FFE. There are three doctors at this location who also have accounts (assets) at this location. Are they a related business entity?
  - Assuming there is not one overarching company, this seems like a “unified business enterprise” between “related business entities.” Treat accordingly.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- Other HB 9 Oddities / Questions...
- Example 13:
  - There are two bail bond companies located in the same leased office at 444 Loki Lane in Amarillo, Texas. One bond company is owned by the father Odin, and the other bail bond company is owned by the son, Thor. Are they a “related business entity?”
  - Just because two owners, are at the same location, doing the same kind of work, and related by blood, does not necessarily make them a “related business entity: or constitute a “unified business enterprise” unless they sell bail bonds/operate jointly. Look at how they interact.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145



- [Other HB 9 Oddities / Questions ...](#)
- **For companies that own or lease real estate for their business location but also have BPP (perhaps even leased BPP) in several different locations in the county, are the values aggregated by jurisdiction with only one exemption per jurisdiction? We have this situation with several taxpayers who own lease billboards, ice machines, vending machines, propane tanks, etc.**
- HB 9 aggregates a taxpayer's income-producing tangible personal property by taxing unit (jurisdiction), and the exemption is applied once by that taxing unit (not once per physical location).
- For leased tangible personal property, HB 9 explicitly provides a single exemption of \$125,000 "by a taxing unit ... regardless of where the property is located in the taxing unit."
- Billboards, ice machines, vending machines, propane tanks are typically tangible personal property held or used for the production of income.
- If they have taxable situs in a given taxing unit, their values are added together for that taxing unit and the taxpayer receives the single exemption the taxing unit provides (e.g., \$125k for leased property as described).
- A taxpayer would not get one exemption per individual machine or per location site inside the same taxing unit for their leased property.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145



- Other HB 9 Oddities / Questions ...
- For companies that own or lease real estate for their business location but also have BPP (perhaps even leased BPP) in several different locations in the county, are the values aggregated by jurisdiction with only one exemption per jurisdiction? We have this situation with several taxpayers who own lease billboards, ice machines, vending machines, propane tanks, etc.
- **General Rule for Non-Leased TPP (Company Owns and Uses Directly):**
  - Appraised values are aggregated per separate location within each taxing unit.
  - The \$125,000 exemption applies per location per taxing unit.
  - **Example 14:**
  - Asgard Ice has ice machines at 10 different addresses in Frio County (a taxing unit), each address is a separate location owned by Asgard Ice. If the TPP value at Location A is \$100,000, it's fully exempt for the City of Pearsall's taxes (and overlapping units like the county and ISD, calculated separately). If Location B in the City of Pearsall has \$200,000, \$125,000 is exempt, and taxes apply to the remaining \$75,000. This allows multiple exemptions across locations, even in the same county.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145



- [Other HB 9 Oddities / Questions ...](#)
- For companies that own or lease real estate for their business location but also have BPP (perhaps even leased BPP) in several different locations in the county, are the values aggregated by jurisdiction with only one exemption per jurisdiction? We have this situation with several taxpayers who own lease billboards, ice machines, vending machines, propane tanks, etc.
- **Rule for Leased TPP (Company Owns and Leases to Others, e.g., as Lessor):**
  - If some or all assets are leased out (common for vending machines, propane tanks, billboards, or ice machines placed at customer sites), appraised values are aggregated across all locations within each taxing unit, regardless of how many sites.
  - Only one \$125,000 exemption per taxing unit applies to the total aggregated value of all leased TPP in that unit.
- **Example 15:**
- Asgard Fire has a warehouse it owns and leases its propane tanks to businesses at 20 different sites across Borden County. For Borden County (a taxing unit which spans the whole county), all values are aggregated into one pool, and only \$125,000 is exempt total for county taxes on that leased TPP. If sites exist in different school districts in Borden County, each one (as a separate taxing unit) gets its own aggregation and single \$125,000 exemption for the leased TPP within its boundaries.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145



- [Other HB 9 Oddities / Questions ...](#)
- For companies that own or lease real estate for their business location but also have BPP (perhaps even leased BPP) in several different locations in the county, are the values aggregated by jurisdiction with only one exemption per jurisdiction? We have this situation with several taxpayers who own lease billboards, ice machines, vending machines, propane tanks, etc.
- **Special Case for TPP Not at Owned/Leased Locations:**
  - If the TPP is sited at locations neither owned nor leased by the owner (e.g., consigned or placed on third-party property without a lease), values are aggregated across the entire taxing unit, with only one \$125,000 exemption per taxing unit.
- **Related Business Entities:**
  - If the company is part of a "unified business enterprise" (related entities in a common venture), TPP at the same location is aggregated across entities for exemption purposes, preventing stacking of exemptions.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- [Other HB 9 Oddities / Questions...](#)
- Do mineral get the \$125,000 TPP for the Production of Income exemption?
- Example 16:
- Suppose Darrio Aggar of Roxxon Energy Corp comes to your CAD and argues his company is entitled to the \$125,000 TPP exemptions for his mineral interests in place, mines, and some standing timber in your county. Does he get this?
- No. Minerals in place, mines, and standing timber are defined by Tax Code 1.04(2) as real property. Only TPP for the production in income is eligible for this exemption.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- [Other HB 9 Oddities / Questions...](#)
- How related must the businesses be for this \$125,000 TPP for the production of income exemption?
- Example 17:
- Thanos Universal LLC owns the real estate and a 3-story building in downtown Wichita Falls.
- On the first floor of the building is a large jewelry store owned by the LLC, dba Thanos' Snappy Jewelry. On the second floor is a bar owned by the LLC, dba Infinity Lounge. On the third floor is a restaurant owned by the LLC, dba Balance.
- Thanos Universal, LLC is doing business under three names. But it is still just one business entity and one owner under the Business Organizations Code here. Treat accordingly.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- [Other HB 9 Oddities / Questions...](#)
- Are fixtures / improvements subject to this \$125,000 TPP for the production of income exemption?
- **Example 18:**
- Pietro “Quicksilver” Maximoff leases a convenience store from Bucky Barnes in Sherman County, Texas and names it “Quicksilver Quick-Stop.”
- On Jan. 1, 2027, he has \$15,000 of mostly energy drinks / protein bars = inventory (clearly BPP).
- He installed new metal shelving and two commercial walk-in freezers last year; invoice shows he (the tenant) bought and installed the units — cost \$75,000. Now the chief appraiser for Sherman CAD examines Quicksilver’s property:
- If the freezers are bolted to the slab, hard-piped into the building HVAC/electrical system, and the lease says “fixtures remain with the landlord,” the CAD might treat them as real property (fixtures/improvements).
  - Result: only the \$15k inventory is BPP and falls under HB 9, so the \$15k is exempt. The \$75k remains in the building appraisal and is taxed as real property.
- If the freezers and shelves are freestanding, on casters, plugged into a wall outlet (not hard-wired), the lease is silent or explicitly allows tenant removal, and Quicksilver intends to remove them when he leaves, the CAD may treat them as trade fixtures / tangible personal property.
  - Result: Quicksilver’s total TPP = \$90k — all exempt under HB 9’s \$125k exemption.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- Other HB 9 Oddities / Questions...
- Example 19:
- Captain America Owns the land, building, and FFE within a gas station / store named “Kap’s Kwik Star” located at 777 Shield Way in Muleshoe, Texas. Quicksilver owns the BPP / inventory in the store. Hawkeye owns the gas and diesel pumps and fuel inventory there. How should the CAD treat this?
- This seems to be “unified business enterprise” between “related business entities” as defined in 11.145(a)(1), (2). The CAD should aggregate the BPP here. The CA for the CAD should probably then prorate out the \$125,000 exemption.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145



- [Other HB 9 Oddities / Questions...](#)
- Do utility accounts only get one exemption per jurisdiction based on aggregated value? For example: electric transmission lines, pipelines, gas lines, etc.?
- **Understanding is that electrical transmission lines, oil and gas pipelines are personal property.**
- **TPP at Owned/Leased Locations:** If the TPP is located at specific sites owned or leased by the utility (e.g., substations or service centers), the \$125,000 exemption applies per location within each taxing unit.
  - Example: If a utility has TPP at three substations in a city, each substation's TPP gets a separate \$125,000 exemption for that city's taxes (and for overlapping units like the county or school district, calculated separately).
- **TPP at Not at Owned/Leased Locations:** If the TPP is spread across multiple sites not owned/leased by the utility (e.g., meters at customer premises), the appraised values are aggregated across the entire taxing unit, and only one \$125,000 exemption applies per taxing unit for that TPP.
  - Example: All meters in a county would be aggregated for county taxes, with one \$125,000 exemption.
- **Utility-Specific Context:** Utilities often have TPP scattered across many locations. Since these assets are typically not at the utility's owned/leased sites, the aggregated, single-exemption rule per taxing unit is more likely to apply for TPP like meters or portable equipment.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145



- [Other HB 9 Oddities / Questions...](#)
- Do utility accounts only get one exemption per jurisdiction based on aggregated value? For example: electric transmission lines, pipelines, gas lines, etc.?
- Example 20:
- Suppose Stark Utilities, LLC owns and operates income-producing tangible personal property
  - They have electrical transmission lines, gas lines, pipelines, and meters across Vibranium County.
  - Property is located in several overlapping taxing units (assume in these are all in Texas):
    - Vibranium County (the county jurisdiction) / Wakanda ISD (independent school district) / Xandar ISD (another school district in the county) / City of New Asgard / City of Knowhere.
- Property Locations & Values -
  - Electrical transmission lines (across county and through Wakanda ISD, New Asgard): \$500,000 appraised value;
  - Gas pipelines (run through Wakanda ISD and into Xandar ISD): \$300,000 appraised value;
  - Propane storage tanks (clustered near Knowhere city limits): \$100,000 appraised value;
  - Meters and transformers (scattered throughout the county, including both ISDs and both cities): \$200,000 appraised value.
- SU's total tangible personal property value across Vibranium County = \$1.1 million

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145



- [Other HB 9 Oddities / Questions...](#)
- Do utility accounts only get one exemption per jurisdiction based on aggregated value? For example: electric transmission lines, pipelines, gas lines, etc.?
- How HB 9 Applies in Example 10 (aggregation & exemption):
- **Vibranium County (county government taxing unit)**
  - Aggregate all Stark Utilities property with situs in the county = \$1.1M - one \$125,000 exemption. Taxable value to Vibranium County = \$975,000.
- **Wakanda ISD**
  - Property located within Wakanda ISD boundaries: transmission lines = \$300k + pipelines = \$200k + some meters = \$50k. Total = \$550k - one \$125k exemption for this ISD tax unit. Taxable value to Wakanda ISD = \$425,000.
- **Xandar ISD**
  - Property located within Xandar ISD boundaries: pipelines = \$100k + some meters = \$25k. Total = \$125k - one \$125k exemption for this ISD tax unit. Taxable value to Xandar ISD = \$0 (fully offset).
- **City of New Asgard**
  - Property inside City of New Asgard: transmission lines = \$200k + transformers/meters = \$75k. Total = \$275k - one \$125k exemption for this City tax unit. Taxable value to City of New Asgard = \$150,000.
- **City of Knowhere**
  - Property inside City of Knowhere: propane tanks = \$100k + some meters = \$50k. Total = \$150k - one \$125k exemption for this City tax unit. Taxable value to City of Knowhere = \$25,000.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- [Other HB 9 Oddities / Questions...](#)
- **We have a company that owns hundreds of thousands of dollars worth postage meters but leases them out to several businesses all over the county. How does HB 9 apply here?**
- **Example 21:**
- **Suppose Stark Postal Solutions LLC (a wholly-owned subsidiary of Stark Industries) owns 300 high-speed arc-reactor-powered postage meters @ \$2,000 each = \$600,000 total appraised value.**
- Stark Postal keeps 50 machines as inventory (unleased) in their main warehouse (City of Georgetown / Georgetown ISD / Williamson County).
- Stark Postal leases 250 postage meters to businesses across Williamson County. Lease Terms are 36-month operating leases; Stark retains title.
  - 50 meters → Asgard Industries (throughout Round Rock ISD);
  - 40 meters → Pym Technologies Lab (throughout Leander ISD);
  - 35 meters → Rand Enterprises Warehouse (throughout Jarrell ISD);
  - 125 meters → various small SHIELD field offices & coffee shops scattered across Georgetown (throughout Georgetown ISD).
- Williamson CAD should appraise all 300 leased meters to Stark Postal Solutions LLC since it is the legal owner per the lease documents.
- Williamson CAD should probably list up to 250 separate situs codes for the leased meters, one per lessee address since the meters here are not all at one address.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145



[Jarvis voice]: “Sir, the Williamson County Chief Appraiser sends his regards.”

Taxing Unit	Meters	Appraised	Exemption	Taxable
Williamson Co	<b>300 Meters Total</b>			
	50 Meters (inventory)	\$100,000	\$125,000	0
	250 Meters (leased)	\$500,000	\$125,000	\$375,000
Georgetown ISD	<b>175 Meters Total</b>			
	50 Meters (inventory)	\$100,000	\$125,000	0
	125 Meters (leased)	\$250,000	\$125,000	\$125,000
Round Rock ISD	<b>50 Meters Total (leased)</b>	\$100,000	\$125,000	0
Leander ISD	<b>40 Meters Total (leased)</b>	\$80,000	\$125,000	0
Jarrell ISD	<b>35 Meters Total (leased)</b>	\$70,000	\$125,000	0

# HB 9 (Meyer); HJR 1 (Meyer) Tax Code § 11.145

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## HB 9 Working Group Q&A



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- Q. A business (or related entity) owns or leases space at one location, but there are 5 property IDs associated with the owner.
  - a. How, or in what order, should the CAD allocate the \$125,000 exemption to the five accounts? Does the CAD decide how the allocation is done?
  - b. What if the value of one or more accounts is reduced via protest, correction, or litigation, and the allocation no longer maximizes the exemption? Is the CAD required to re-allocate the exemption amount?
- Aa. The CAD / CA should be able to decide how or in what order and in what amount to allocate the exemption. The CA should make sure the owner gets the full \$125K when it is spread out.
- Ab. If one or more accounts are protested, and the value is reduced by the ARB then there is no full / maximized \$125k exemption, what the CA / CAD can do probably depends on when in calendar cycle the possible reallocation occurs. Texas Tax Code Section 25.25(a) states: "Except as provided by Chapters 41 and 42 of this code and by this section, the appraisal roll may not be changed." If the owner is entitled to the \$125K exemption, it is spread out by the CA, and then reduced before certification, then the CAD could possibly re-notice or fix it. But if this happens after certification, not sure there is a basis for the CA / CAD to do that. It is probably wise for owners / agents to protest all accounts to make sure they get the full exemption benefit via litigation after certification.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- Q. A business (or related entity) owns or leases space at 5 different locations. How would HB 9 be applied to the accounts.
- A. If the owner owns the locations where their BPP is it is simple. Each location in the taxing unit gets a \$125,000 exemption. The same is true if the BPP owner is leasing the location of the BPP. They too get the \$125,000 exemption at each of those locations.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- Q. Allocation of one exemption across multiple accounts at various locations where the owner (or related entity) does not own or lease space.
  - What if the value is reduced via protest, correction, or litigation, and the allocation no longer maximizes the exemption? Is the CAD required to re-allocate the exemption amount?
- A. When property owner doesn't own or lease any space that is within county then you have to figure out the taxable situs of the equipment, they own then for each individual taxing entity they have some value in they get a \$125,000 exemption in. If one piece of equipment and it has a taxable value, and you get \$125K for that city and other equipment that is taxable throughout county the \$125,000 exemption applies across the county. You get different taxable values for different taxing units. If reallocation is done before certification the CAD can go back in and try to figure out and reallocate if done after certification then the value and exemptions are certified and can't be changed unless there is a protest, motion to correct, lawsuit, etc.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- Q. How would this exemption be applied to accounts with split jurisdictions?
  - Example: Independent School District (ISD) A's value is \$300,000, and ISD B's value is \$100,000
  - Does the \$125,000 exemption get fully applied to each ISD? Or, does the exemption get applied to each ISD based on its percentage of the overall value?
- A. The way it works is you get a \$125K for each taxing unit. So here if you have \$300K of BPP in ISD A the owner gets a \$125K exemption, so will pay taxes on \$175K of value. You then have \$100K of BPP in ISD B, the owner gets a \$125K exemption, so they will pay no tax since there is \$0 of value.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- Q. Should accounts for products stored in warehouses, pipe yards, etc., be considered as leasing the space where the product is stored?
- A. It depends. If you have an actual lease where the product is stored. If the owner of the BPP has a lease with warehouse, pipe yard, or whoever else it is then you have a lease situation of the location.
- If the owner's TPP is located at a consignment store or a customer's business site, then in that scenario you don't have a lease so that should be treated as property that is not at a location for lease.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 11.145

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- Q. Dealer inventory was not excluded from this exemption as it had been in previous versions of the bill. The assumption is that applying this exemption will dramatically increase the likelihood that the county escrow account will be more than sufficient to pay the taxes, and the County will keep any overages in the escrow. Is this correct?
- A. Dealer inventory should be able to take advantage of this exemption. It will impact their escrow account, likely creating an overage. Likely a large one for 2026. This overage will go to the county / taxing units in 2027. There is no mechanism for a refund of overage. Dealer doesn't get full advantage of HB 9 exemption.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 22.01

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**Renditions**



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 22.01(j-1)

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- HB 9 makes changes to how owners render their property.
- A property owner is only required to render property if, in his opinion, the aggregate market value of the property is greater than the amount exempted under Section 11.145(b), (d), or (d-1), as applicable, in at least one taxing unit.
- **Simpler:** The owner only renders IF they believe the aggregate value of their TPP is greater than \$125,000 in the county.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 22.01(j-2)

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- If the owner is required to render, it must render all of its property that has taxable situs in the appraisal district unless the property is exempt under another provision of law other than Section 11.145.

# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 22.01 (j-1), (j-2)

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- **SAY ALL THAT AGAIN SIMPLER / SLOWER ...**
  - A person is required to render TPP they own for the production of income IF, in their opinion, the aggregated market value in one taxing unit in the county is greater than the \$125,000 exemption amount.
  - A person who does not render anything must file a statement indicating that the person reasonably believes that all of it personal property at a location is exempt or that all of its leased property in a taxing unit is exempt.
  - A person required to render must render all tangible personal property the person owns that is held or used for the production of income and has taxable situs in the appraisal district.
  - A person must render their entire personal property taxable at one situs in a taxing unit that is above the \$125,000 exemption amount.
  - A lessor must render all personal property leased anywhere within a taxing unit that is above the \$125,000 exemption amount.

## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145 22.01(j-1), (j-2)

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- Example 22:
- Stark Industries has TPP located at 123 Park Ave. in downtown Austin and TPP off of FM 620 in Lakeway.
- The \$125,000 exemption is applied to the value of the property at both locations.
- The owner's opinion of value of the property located at 123 Park Ave. in Austin is \$200,000 and his opinion of value of the property located in Lakeway is \$50,000.
- \$200,000 (property in Austin) - \$125,000 exemption = \$75,000
- \$50,000 (property in Lakeway) - \$125,000 exemption = \$0
- Because the owner's opinion of value of the property located in Austin exceeds the amount of the \$125,000 exemption in at least one taxing unit (in this case two for sure: Travis County and Austin), Stark Industries must render all of its TPP that has taxable situs in the appraisal district unless the property is exempt under another provision of law other than Section 11.145.

## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145 22.01(j-1), (j-2)

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- Example 23:
- Dr. Doom owns Von Doom Industries. He believes he has \$123,000 of FFE located at 999 Castle Way in Doomstadt, Tarrant County, TX. He also has property located off I35 in Burleson.
- VDI leases the from these locations.
- The owner's opinion of value of the property located in Doomstadt is \$60,000.
- The owner's opinion of value of the property located in Burleson is \$50,000.
- $[\$60,000 \text{ in Doomstadt}] + [\$50,000 \text{ in Burleson}] = \$110,000 - \$125,000 = \$0.$
- Because the owner's opinion of value of the property it owns and leases from locations in Tarrant County does not exceed the amount of the exemption, VDI does not have to render its property but will need to file a statement that he reasonably believes his property is exempt.
- Might be best to look at this on the County level for rendition.
- If the amount of the exemption exceeds the appraised value for the County, the amount of the exemption will probably exceed the appraised value for all other taxing units. The property will then need to be rendered if it exceeds the exemption.



## HB 9 (Meyer); HJR 1 (Meyer) Tax Code §§ 11.145 22.01(j-1), (j-2)

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- Example 24:
- Oscorp Industries owns TPP for the production of income at 456 Park Ave. in downtown El Paso, TX.
- BUT Oscorp does not own or lease this location.
- Oscorp also owns TPP off of Roseway Dr. in Ysleta in El Paso County, TX (but also does not own or lease this location).
- The owner's opinion of value of the property located at 456 Park Ave. in downtown El Paso is \$200,000.
- The owner's opinion of value of the property located off of Roseway Dr. in Ysleta is \$500,000.
- \$200,000 in El Paso + \$500,000 in Ysleta = \$700,000 - \$125,000 exemption = \$575,000.
- Because the owner's opinion of value of the property exceeds the amount of the exemption, Oscorp must render all of its property that has taxable situs in the appraisal district unless the property is exempt under another provision of law other than Section 11.145.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 22.01(j-3)

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- A property owner who believes the value of his property does not exceed the amount exempt under Section 11.145 and elects not to render the property must file a rendition statement or property report that includes a certification that the person reasonably believes that the value of the property is not more than the amount exempted under Section 11.145(b), (d), or (d-1), as applicable.
- **Simpler:** Owner submits a certificate he reasonably believes his TPP is less than \$125,000.



# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 22.01(j-3)

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- The election to not render takes effect beginning with the tax year following the tax year in which the rendition statement or property report is filed and continues in effect until the ownership of the person changes.
  - **Simpler: Don't have to render until ownership changes once that certificate is filed.**
- A person who does not have to render property described by Section 22.01(j-1), must render the property if required to do so by the chief appraiser.





**HB 9 (Meyer); HJR 1 (Meyer)  
Tax Code §§ 11.145 22.01(j-1),  
(j-2)**

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- Example 25:
- Dr. Doom owns Von Doom Industries. He believes he has \$123,000 of FFE located at 999 Castle Way in Doomstadt, Tarrant County, TX.
- He files a rendition with the Tarrant AD by April 15, 2026, that certifies the value of his property for the 2026 tax year is not more than the \$125,000 amount exempt under Section 11.145.
- Dr. Doom is not required to render for the 2027 tax year onward until ownership changes OR he is required to render by the chief appraiser.
  - Presumably, he does not get more TPP to put him over the exemption.





# HB 9 (Meyer); HJR 1 (Meyer)

## Tax Code § 22.24(c)



- The Comptroller's Rendition Form must include a box that property of a related business entity must check to identify the owner as a related business entity and/or a unified business enterprise.
- Comptroller's form must include a box that a property owner who elects not to render may check to certify that they believe the value is lower than the exemption amount.

A screenshot of the "Business Personal Property Rendition of Taxable Property" form. The form is titled "Business Personal Property Rendition of Taxable Property" and includes various sections for property identification, valuation, and reporting. It contains multiple checkboxes and input fields for providing detailed information about the property being reported.A close-up of a certification box on the form. The box contains the following text:

**By checking this box, I certify that the market value of the tangible personal property is \$125,000 or less.**

Select your tangible personal property's total market value:  \$125,000 or less  More than \$125,000

Check the total market value of your tangible personal property.  Under \$20,000  \$20,000 or more

If you checked "Under \$20,000", please complete only Schedule A and if applicable, Section 8. Otherwise, complete Sections 1 through 9, whichever are applicable.

# The Exemption for Personal Property Producing Income

## A Legal Disclaimer

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