



## Brazoria County Appraisal District

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### Law Changes for Heavy Equipment Dealer's Special Inventory

The Texas Legislature recently enacted HB 2476 to amend Tax Code Section 23.1241, which applies to heavy equipment and heavy equipment dealers. Some of the modified definitions in subsection (a) are as follows:

1. "Heavy equipment dealer" includes anyone in the business of selling, leasing, or renting heavy equipment.
2. The weight is now at least 1,500 pounds (rather than the previous weight of at least 3,000 pounds).
3. "Subsequent sale" **excludes** a rental or lease either with or without a purchase option.

Subsection (b) was amended to require the owner of the heavy equipment to assign a unit property tax to each item that is leased or rented. If a transaction is a lease or rental the owner is required to collect the unit property tax from the lessee or renter at the time the lessee or renter submits payment for the lease or rental. The owner is required to state the amount of the unit property tax as a separate line item on an invoice.

These are only part of the changes enacted by this bill. The changes are effective January 1, 2012.

The following website will have the updated Heavy Equipment Dealer's Special Inventory Manual online with all changes:

<http://www.window.state.tx.us/taxinfo/proptax/spmanuals.html>

If after reviewing the information contained in this manual you have any questions; please call 979-849-792 ext. 232 for assistance.