

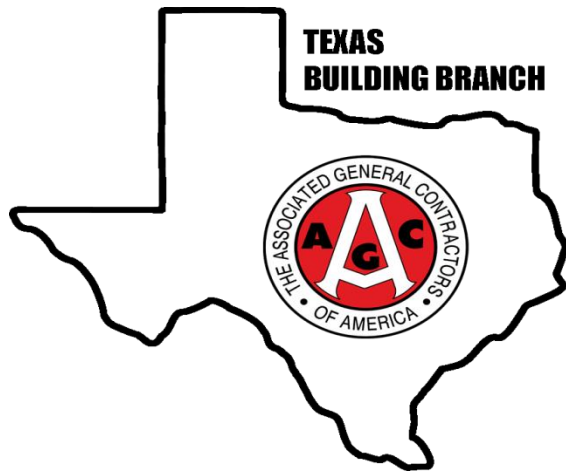
37th Annual AGC Texas Building Branch Convention

June 11, 2014



Hot Topics

- Comptroller Proposed Local Sales Tax Rule
 - Multi-jurisdictional projects
 - Purchasing company
- Property Tax Unrest
 - Rising Appraisals
 - Mounting pressure on “equal and uniform” appeals



Local Sales Tax Rule

- **Multi-jurisdictional Projects**

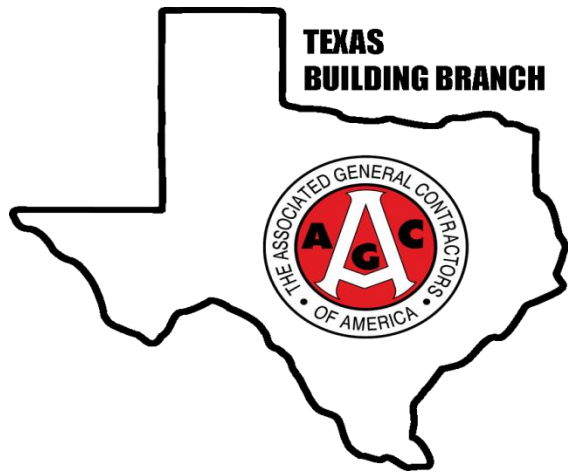
“(A) Residential repair and remodeling; **new construction of an improvement to realty**. When a contractor is improving real property under a separated contract, and the job site is crossed by the boundaries of one or more local taxing jurisdictions, the local taxes due on any separately stated charges for taxable items incorporated into the real property must be allocated to the local taxing jurisdictions based on the total square footage of the real property located within each jurisdiction, including the square footage of any standalone structures that are part of the construction, repair, or remodeling project. For more information about tax due on materials used at residential and new construction job sites, refer to [3.291](#) of this title (relating to Contractors).



Local Sales Tax Rule

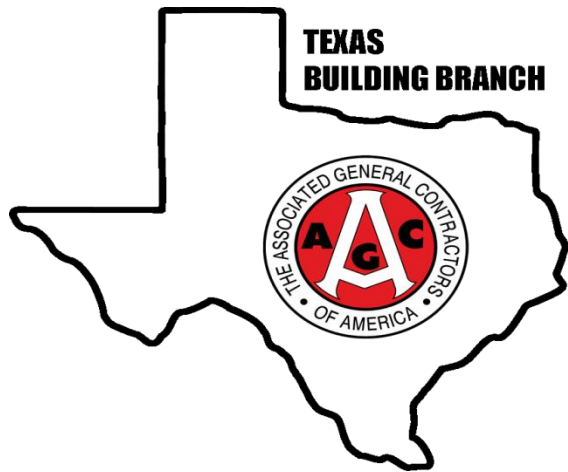
- **Multi-jurisdictional Projects**

“(B) **Nonresidential real property repair and improvement.** When taxable services are performed to repair, remodel, or restore nonresidential real property, such as a pipeline, transmission line, or parking lot, that is crossed by the boundaries of one or more local taxing jurisdictions, the local taxes due on the taxable services, including materials and any other charges connected to the services performed, must be allocated among the local taxing jurisdictions based upon the total mileage or area of the repair, remodeling, or restoration project. For more information about tax due on materials used at nonresidential real property repair and remodeling job sites, refer to [3.357](#) of this title (relating to Nonresidential Real Property Repair, Remodeling, and Restoration; Real Property Maintenance).”



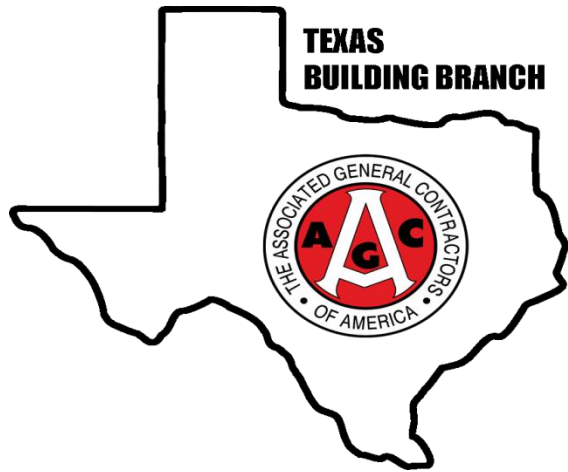
Local Sales Tax Rule

- Purchasing Company
 - SB 1533 provided a clarification to the definition for purchasing office.
 - Proposed rule details New and Extensive Factors for determining whether purchasing office exist solely to rebate a portion of local sales taxes



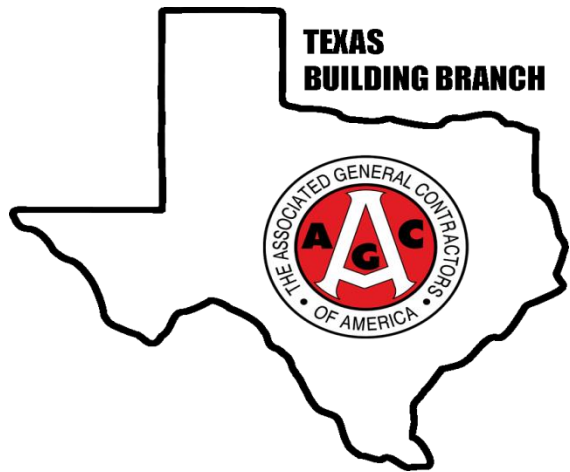
Property Tax Unrest

- Rising Appraisals are beginning to stir the unrest as in the past
 - Appraised values vs. taxable values
 - Home affordability issues
 - Appraisal caps



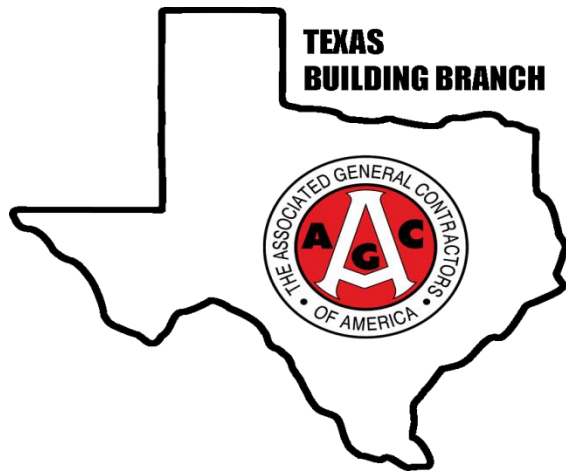
Property Tax Unrest

- Mounting pressure on “equal and uniform” appeals
 - Grass root efforts to argue that equal and uniform appeals by business shifts tax burden to residential properties



Revenue Outlook

- Rosy Revenue Outlook?
 - Budget?
 - Dedicated General Revenue Funds
 - Tax Cuts?
 - Property tax
 - Increased homestead exemption
 - Margin tax
 - New “tweaks”
 - School Finance?



AGC-TBB 2015 Legislative Session

Mechanics Liens*

Higher Ed Facilities

P3s*

Trust Funds Retainage

Worker Misclassification*

Taxes/School Finance

State Breach of Contract

School Background Checks Portability

Mandatory Workers Comp

Lender Notice of Default

EDC Procurement

* Interim Hearing Already Held



Questions?

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