

By: Wray

H.B. No. 3923

A BILL TO BE ENTITLED

AN ACT

relating to ready-mix concrete trucks.

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

SECTION 1. Section 171.1012(a)(2), Tax Code, is amended to read as follows:

(2) "Production" includes construction, installation, manufacture, development, mining, extraction, improvement, creation, raising, or growth. The term includes the manufacture of a good while in transit.

SECTION 2. Section 171.1012(d), Tax Code, is amended to read as follows:

(d) In addition to the amounts includable under Subsection (c), the cost of goods sold includes the following costs in relation to the taxable entity's goods:

(1) deterioration of the goods;

(2) obsolescence of the goods;

(3) spoilage and abandonment, including the costs of rework labor, reclamation, and scrap;

(4) if the property is held for future production, preproduction direct costs allocable to the property, including costs of purchasing the goods and of storage and handling the goods, as provided by Subsections (c)(4) and (c)(5);

(5) postproduction direct costs allocable to the property, including storage and handling costs, as provided by

Subsections (c)(4) and (c)(5);

(6) the cost of insurance on a plant or a facility, machinery, equipment, or materials directly used in the production of the goods;

(7) the cost of insurance on the produced goods;

(8) the cost of utilities, including electricity, gas, and water, directly used in the production of the goods;

(9) the costs of quality control, including replacement of defective components pursuant to standard warranty policies, inspection directly allocable to the production of the goods, and repairs and maintenance of goods; ~~and~~

(10) licensing or franchise costs, including fees incurred in securing the contractual right to use a trademark, corporate plan, manufacturing procedure, special recipe, or other similar right directly associated with the goods produced; and

(11) production costs allocable to the manufacturing of a good while in transit.

SECTION 3. Section 622.011(a), Transportation Code, is amended to read as follows:

(a) In this subchapter, "ready-mixed concrete truck" means:

(1) a vehicle designed exclusively to transport or manufacture ready-mixed concrete and includes a vehicle designed exclusively to transport while manufacturing ~~[and manufacture]~~ ready-mixed concrete; ~~or~~

(2) a concrete pump truck; or

(3) a volumetric ready-mix concrete truck.

SECTION 4. The changes in law made by this Act to Section

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1 [171.1012](#), Tax Code, apply only to a report originally due on or  
2 after January 1, 2016.

3       SECTION 5. This Act takes effect September 1, 2015.