

THOMSON REUTERS PROVIEW™

This title is one of many now available on your tablet as an eBook.

Take your research mobile. Powered by the Thomson Reuters ProView™ app, our eBooks deliver the same trusted content as your print resources, but in a compact, on-the-go format.

ProView eBooks are designed for the way you work. You can add your own notes and highlights to the text, and all of your annotations will transfer electronically to every new edition of your eBook.

You can also instantly verify primary authority with built-in links to Westlaw® and KeyCite®, so you can be confident that you're accessing the most current and accurate information.

To find out more about ProView eBooks and available discounts, call 1-800-328-9352.

**ELLIOTT, MORRIS &
BRUSNIAK'S**

**TEXAS
TAX CODE
ANNOTATED**

Volume 1

ANNOTATIONS BY

**WILLIAM D. ELLIOTT
J. SCOTT MORRIS
JOHN BRUSNIAK**

2025 EDITION



© 2025 Thomson Reuters

ISBN: 979-8-350-21112-2

This publication was created to provide you with accurate and authoritative information concerning the subject matter covered; however, this publication was not necessarily prepared by persons licensed to practice law in a particular jurisdiction. The publisher is not engaged in rendering legal or other professional advice and this publication is not a substitute for the advice of an attorney. If you require legal or other expert advice, you should seek the services of a competent attorney or other professional.

Nothing contained herein is intended or written to be used, and may not be used, for the purposes of 1) avoiding penalties imposed under the Internal Revenue Code, or 2) promoting, marketing or recommending to another party any transaction or matter addressed herein.

West's and Westlaw are registered in the U.S. Patent and Trademark Office.
Thomson Reuters Westlaw is a trademark of Thomson Reuters and its affiliates.

About the Authors

William D. Elliott

William D. Elliott is a practicing tax lawyer with degrees from Southeastern State College (B.S. 1970); Southern Methodist University (J.D. 1973); and New York University (L.L.M. in Taxation 1974). He practices in Dallas, Texas, and is of counsel with the law firm of Elliott, Thomason & Gibson, LLP, also in Dallas.

Mr. Elliott is the author of *Federal Tax Collections, Liens, and Levies* (Warren Gorham & Lamont, 2nd ed. 1995). Mr. Elliott is board certified in: (1) Tax Law; and (2) Estate and Probate Law by the Texas Board of Legal Specialization of the State Bar of Texas. He is former Chairman of the Board of Directors of the State Bar of Texas and the Section of Taxation of the State Bar of Texas. He is a fellow in the American College of Tax Counsel.

Mr. Elliott's practice stands in the middle of the intersection of tax, estate planning, and business.

J. Scott Morris

J. Scott Morris is a tax lawyer, who practices in Austin, Texas as J. Scott Morris, P.C., and is a published author. He has degrees from Rice University (A.B. 1962); Southern Methodist University (J.D. 1965); and Harvard University (L.L.M. 1967). He was a Professor of Law at S.M.U. from 1970-1981. His areas of practice include federal and state taxation, both tax-planning and litigation.

Mr. Morris is the author of *Real Estate Tax Planning* (Little Brown & Co., 1977) and *Real Estate Tax Planning Forms* (Little Brown & Co., 1981). Mr. Morris is board certified in Tax Law by the Board of Legal Specialization of the State Bar of Texas. He is the founder of the Texas Federal Tax Institute and now serves on its planning committee. He has lectured on tax subjects across the nation. Mr. Morris represented the taxpayer in *Fleming Foods of Texas, Inc. v. Rylander*, 6 S.W.3d 278 (Tex. 1999).

John Brusniak

John Brusniak is a practicing property tax lawyer with degrees from Our Lady of the Lake University (B.S. 1973) and The George Washington University (J.D. 1976). He offices in Dallas and practices across the state of Texas. He is with the law firm Brusniak Turner PC.

Mr. Brusniak is the dean of the Texas property tax practitioners having started litigating ad valorem cases in 1981. He has handled trials and appeals before Texas Courts of Appeals and the Texas Supreme Court and has worked with lobbyists for decades to make improvements to the Texas Tax Code.

Mr. Brusniak was honored with the Wayne Peveto award by the Real Estate Center of Texas A&M University "in recognition of outstanding contributions in the Texas property tax profession," and with a lifetime achievement award from the Texas Oil and Gas Association "in recognition of [his] service and contribution in the field of property taxation in Texas." He has served as the Chair of the Property Tax Committee of the Tax Section of the State Bar of Texas, the chair of the Property Tax Committee of the Real Property Committee of the American Bar Association, and the chair of the Tax Section of the State Bar of Texas. He serves on the board of directors of the Texas Taxpayers and Research Association.

Publisher's Preface

This publication is designed to provide a compact and authoritative presentation of the Texas Tax Code. The publication is intended to combine the most salient features of an unannotated code—compactness and portability—and those of a fully annotated code—interpretive materials—into a single publication incorporating the essential features of both. Thus, the publication contains the text of the Texas Tax Code, accompanied by interpretive aids which have been constructed by the authors and publisher's editorial staff to provide materials which are highly focused, concise, practical, and authoritative. As an additional interpretive and practice aid, the following major related Texas Administrative Code regulations from Title 34, Public Finance, Part 1, Comptroller of Public Accounts, are included in the publication: Chapter 1 (Central Administration), Chapter 3 (Tax Administration), and Chapter 9 (Property Tax Administration).

The Commentary, Leading Cases, Comptroller Decisions, and Leading CLE/Law Review materials have been prepared by the authors. The remaining editorial components have been prepared by the editorial staff of the publisher.

This publication contains the text of the Texas Tax Code, as amended through the end of the 2025 Regular and Second Called Sessions of the 89th Legislature, and the text of selected provisions from Title 34 of the Texas Administrative Code, as effective on or before September 26, 2025.

The Commentary and Leading Cases cover decisions published through September 1, 2025.

The Leading CLE/Law Review materials cover course materials, articles, and notes published through September 1, 2025.

To order additional copies of Elliott & Morris' Texas Tax Code Annotated, please call 1-888-728-7677.

Acknowledgments

William D. Elliott

Acknowledgments for writing a book, especially a book on taxation, can take many forms. Many contribute to and deserve credit for enabling an author to write a book, including family, colleagues, friends, but in this case, my acknowledgment goes to my law school professors who shaped my training and development, both at SMU and NYU, and in particular, my tax professor at SMU, J. Scott Morris, who I invited to co-author this book. Scott has turned from an influential law teacher a quarter of a century ago into a friend, with whom I am proud to share the burden and blessings of producing this book, not only initially, but in the years ahead.

Joe Scott Morris

I am fortunate to have the continued friendship, support, and intellectual collaboration of my co-author Bill Elliott. As usual, I have to rely on the goodwill and assistance of friends and colleagues to complete my part of the manuscript for this book. I want to express my appreciation to my readers, Aziz Meikle and Milun Meikle, who read new opinions to me and took dictation for additions to Commentary and Leading Cases. Aziz and Milun are very bright, motivated high school students and I will be pleased to recommend them to any college to which they make application. Ivana Papandrea-Gonzalez has again been my secretary and typist. Finally, my friend and former colleague, Debbie Cartwright, helped me untangle the web of Senate Bill 2, which amended the property Tax Code during the 2023 Second Called Session of the 88th Legislature. Debbie retired as the Director of the Comptroller's Property Tax Advisory Board. She managed the production of the new *Manual for Appraisal of Agricultural Land*. I now owe Debbie a big favor.

Dedications

William D. Elliott

To my father, Judge Ralph Elliott, who showed the way and my Father, who is the way.

J. Scott Morris

To the memory of Jan Paul Charmatz, soldier, scholar, teacher, lawyer, and mentor to the law students whose careers he followed with fatherly interest. Dr. Charmatz was the Nuremberg prosecutor of Albert Speer and of the IG Farben directors. He died in October 1984 and I still miss his wise counsel and his friendship.

Table of Contents

VOLUME 1

TAX CODE

TITLE 1. PROPERTY TAX CODE

SUBTITLE A. GENERAL PROVISIONS

Chapter	Page
1. General Provisions	3
SUBTITLE B. PROPERTY TAX ADMINISTRATION	
5. State Administration	20
6. Local Administration	40
SUBTITLE C. TAXABLE PROPERTY AND EXEMPTIONS	
11. Taxable Property and Exemptions	84
SUBTITLE D. APPRAISAL AND ASSESSMENT	
21. Taxable Situs	220
22. Renditions and Other Reports	233
23. Appraisal Methods and Procedures	252
24. Central Appraisal	369
25. Local Appraisal	372
26. Assessment	417
SUBTITLE E. COLLECTIONS AND DELINQUENCY	
31. Collections	489
32. Tax Liens and Personal Liability	521
33. Delinquency	535
34. Tax Sales and Redemption	584
SUBTITLE F. REMEDIES	
41. Local Review	609
41A. Appeal Through Binding Arbitration	647
42. Judicial Review	665
43. Suit Against Appraisal Office	701
TITLE 2. STATE TAXATION	
SUBTITLE A. GENERAL PROVISIONS	
101. General Provisions	703
SUBTITLE B. ENFORCEMENT AND COLLECTION	
111. Collection Procedures	708
112. Taxpayers' Suits	772
113. Tax Liens	787
SUBTITLE C. TAX CLEARANCE FUND [REPEALED]	
131. Tax Clearance Fund [Repealed]	794
SUBTITLE D. COMPACTS AND UNIFORM LAWS	
141. Multistate Tax Compact	794
142. Simplified Sales and Use Tax Administration Act	805
SUBTITLE E. SALES, EXCISE, AND USE TAXES	
151. Limited Sales, Excise, and Use Tax	809

Chapter	Page
152. Taxes on Sale, Rental, and Use of Motor Vehicles	983
153. Motor Fuel Taxes [Repealed]	1013
154. Cigarette Tax	1014
155. Cigars and Tobacco Products Tax	1056
156. Hotel Occupancy Tax	1084
157. Interstate Motor Carrier Sales and Use Tax [Repealed]	1094
158. Manufactured Housing Sales and Use Tax	1094
159. Controlled Substances Tax [Repealed]	1099
160. Taxes on Sales and Use of Boats and Boat Motors	1100
161. Fireworks Tax [Repealed]	1108
162. Motor Fuel Taxes	1108
163. Sales and Use Taxation of Aircraft	1195
SUBTITLE F. FRANCHISE TAX; CREDITS	
171. Franchise Tax	1198
172. Tax Credit for Certified Rehabilitation of Certified Historic Structures	1334
SUBTITLE G. GROSS RECEIPTS AND MIXED BEVERAGE TAXES	
181. Cement Production Tax	1339
182. Miscellaneous Gross Receipts Taxes	1342
183. Mixed Beverage Taxes	1350
SUBTITLE H. BUSINESS PERMIT TAXES	
191. Miscellaneous Occupation Taxes	1356
192. Quotation Services [Repealed]	1360
SUBTITLE I. SEVERANCE TAXES	
201. Gas Production Tax	1360
202. Oil Production Tax	1379
203. Sulphur Production Tax [Repealed]	1405
204. Tax Credit for New Field Discoveries	1405
SUBTITLE J. INHERITANCE TAX [REPEALED]	
211. Inheritance Taxes [Repealed]	1408
SUBTITLE K. POLL TAX [REPEALED]	
251. Poll Tax [Repealed]	1409
TITLE 3. LOCAL TAXATION	
SUBTITLE A. GENERAL TAXING AUTHORITY AND PROVISIONS	
301. General Provisions	1411
302. Taxation Powers of Municipalities	1412
SUBTITLE B. SPECIAL PROPERTY TAX PROVISIONS	
311. Tax Increment Financing Act	1413
312. Property Redevelopment and Tax Abatement Act	1440
313. Texas Economic Development Act	1458
320. Miscellaneous Provisions	1464
SUBTITLE C. LOCAL SALES AND USE TAXES	
321. Municipal Sales and Use Tax Act	1464
322. Sales and Use Taxes for Special Purpose Taxing Authorities	1496
323. County Sales and Use Tax Act	1506
324. County Health Services Sales and Use Tax	1524
325. County Sales and Use Tax for Landfill and Criminal Detention Center	1526
326. State Sales and Use Tax Exemptions in Relation to Local Sales and Use Taxes [Repealed]	1529
327. Municipal Sales and Use Tax for Street Maintenance	1529

SUBTITLE D. LOCAL HOTEL OCCUPANCY TAXES

Chapter	Page
351. Municipal Hotel Occupancy Taxes	1532
352. County Hotel Occupancy Taxes	1584

VOLUME 2

TEXAS ADMINISTRATIVE CODE

TITLE 34. PUBLIC FINANCE

PART 1. COMPTROLLER OF PUBLIC ACCOUNTS

1. Central Administration	1
3. Tax Administration	37
9. Property Tax Administration	740
Table of Cases	T-1
Index	I-1