

By: Canales, Thompson of Brazoria

H.B. No. 4602

Substitute the following for H.B. No. 4602:

By: Muñoz, Jr.

C.S.H.B. No. 4602

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the collection, remittance, and administration of
3 certain taxes on motor vehicles rented through a marketplace rental
4 provider; imposing a penalty.

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

6 SECTION 1. Section 334.105, Local Government Code, is
7 amended by adding Subsection (c) to read as follows:

8 (c) Notwithstanding Subsections (a) and (b), if a motor
9 vehicle subject to the tax imposed under this subchapter is rented
10 through a marketplace rental provider, the marketplace rental
11 provider shall collect the tax for the benefit of the municipality
12 or county. The marketplace rental provider shall add the tax
13 imposed under this subchapter, if applicable, and the gross rental
14 receipts tax imposed by Chapter 152, Tax Code, to the rental charge,
15 and the sum of the taxes is part of the rental charge, is a debt owed
16 to the marketplace rental provider by the person renting the
17 vehicle, and is recoverable at law in the same manner as the rental
18 charge.

19 SECTION 2. Section 334.109, Local Government Code, is
20 amended to read as follows:

21 Sec. 334.109. GROSS RECEIPTS PRESUMED SUBJECT TO TAX. All
22 gross receipts of an owner of a motor vehicle or, if the motor
23 vehicle is rented through a marketplace rental provider, of the
24 provider, from the rental of the motor vehicle are presumed to be

1 subject to the tax imposed by this subchapter, except for gross
2 receipts for which the owner or marketplace rental provider has
3 accepted in good faith a properly completed exemption certificate.

4 SECTION 3. Section 334.110(a), Local Government Code, is
5 amended to read as follows:

6 (a) The owner of a motor vehicle used for rental purposes
7 who is required to file a report under this subchapter or, if the
8 motor vehicle is rented through a marketplace rental provider and
9 the provider is required to file a report under this subchapter, the
10 provider, shall keep for four years records and supporting
11 documents containing the following information on the amount of:

12 (1) gross rental receipts received from the rental of
13 the motor vehicle; and

14 (2) the tax imposed under this subchapter and paid to
15 the municipality or county by the owner or the marketplace rental
16 provider, as applicable, on each motor vehicle used for rental
17 purposes by the owner.

18 SECTION 4. Section 334.111(a), Local Government Code, is
19 amended to read as follows:

20 (a) An owner of a motor vehicle required to file a report
21 under this subchapter or, if applicable, a marketplace rental
22 provider required to file a report under this subchapter commits an
23 offense if the owner or provider fails to make and retain complete
24 records for the four-year period required by Section 334.110.

25 SECTION 5. Section 334.113, Local Government Code, is
26 amended by amending Subsection (a) and adding Subsections (a-1) and
27 (a-2) to read as follows:

1 (a) Except as otherwise provided by this section or another
2 provision of this subchapter, the [~~The~~] owner of a motor vehicle
3 required to collect the tax imposed under this subchapter shall
4 report and pay [~~send~~] the taxes collected to the municipality or
5 county as provided by the ordinance or order imposing the tax.

6 (a-1) Except as provided by Subsection (a-2), if a
7 marketplace rental provider collects the tax imposed under this
8 subchapter, the marketplace rental provider shall report and pay
9 the taxes collected to the municipality or county as provided by the
10 ordinance or order imposing the tax. The marketplace rental
11 provider shall certify to the owner of a motor vehicle rented
12 through the provider that the provider has collected, reported, and
13 paid the tax to the municipality or county. An owner who in good
14 faith accepts the marketplace rental provider's certification is
15 not required to collect, report, or pay the tax to the municipality
16 or county.

17 (a-2) The owner of a motor vehicle rented through a
18 marketplace rental provider may elect to report and pay the tax
19 imposed under this subchapter to the municipality or county. If the
20 owner elects to report and pay the tax under this subsection:

21 (1) the owner must:

22 (A) register as required by Section [152.065](#), Tax
23 Code; and

24 (B) inform the marketplace rental provider in
25 writing of the election; and

26 (2) the marketplace rental provider shall forward the
27 tax collected by the provider to the owner.

1 SECTION 6. Section 152.001(8), Tax Code, is amended to read
2 as follows:

3 (8) "Gross rental receipts" means value received or
4 promised as consideration to the owner of a motor vehicle or the
5 marketplace rental provider for rental of the vehicle, but does not
6 include:

7 (A) separately stated charges for insurance;

8 (B) charges for damages to the motor vehicle
9 occurring during the rental agreement period;

10 (C) separately stated charges for motor fuel sold
11 by the owner of the motor vehicle; or

12 (D) discounts.

13 SECTION 7. Subchapter A, Chapter 152, Tax Code, is amended
14 by adding Section 152.0011 to read as follows:

15 Sec. 152.0011. MARKETPLACE RENTAL PROVIDER. (a) Subject
16 to Subsection (b), in this chapter, "marketplace rental provider"
17 means a person who:

18 (1) operates any type of marketplace, including a
19 store with a physical location, an Internet website, a software or
20 mobile application, or a catalog, by which the owner of a motor
21 vehicle lists, markets, or advertises the owner's motor vehicle for
22 rental by others for consideration in this state;

23 (2) facilitates the rental of the owner's motor
24 vehicle by another person by communicating between the owner and
25 the other person the terms of the agreement and the acceptance of
26 those terms; and

27 (3) directly or indirectly collects or processes the

1 receipts or rental charges paid by the person renting the motor
2 vehicle for the owner of the motor vehicle.

3 (b) The term "marketplace rental provider" does not include
4 a person who lists, markets, or advertises motor vehicles for
5 rental by others if:

6 (1) the person lists, markets, or advertises only
7 motor vehicles registered in the manner provided under Section
8 152.061; and

9 (2) the owners of the motor vehicles described by
10 Subdivision (1) collect, report, and pay the tax imposed under
11 Section 152.026 to the comptroller in the same manner as the tax
12 under Chapter 151 is collected, reported, and paid by a retailer
13 under that chapter.

14 SECTION 8. Section 152.045, Tax Code, is amended to read as
15 follows:

16 Sec. 152.045. COLLECTION OF TAX ON GROSS RENTAL RECEIPTS.

17 (a) Except as otherwise provided by this section or another
18 provision of [~~inconsistent with this chapter and rules adopted~~
19 ~~under~~] this chapter, an owner of a motor vehicle subject to the tax
20 on gross rental receipts shall collect, report, and pay the tax to
21 the comptroller in the same manner as the tax under Chapter 151
22 [~~Limited Sales, Excise and Use Tax~~] is collected, reported, and
23 paid by a retailer [~~retailers~~] under that chapter [~~Chapter 151 of~~
24 ~~this code~~].

25 (a-1) Except as provided by Subsection (a-2), if the motor
26 vehicle is rented through a marketplace rental provider, the
27 marketplace rental provider shall collect, report, and pay the tax

1 on gross rental receipts to the comptroller in the manner
2 prescribed by Subsection (a). The marketplace rental provider
3 shall certify to the owner of a motor vehicle rented through the
4 provider that the provider has collected, reported, and paid the
5 tax. An owner who in good faith accepts the marketplace rental
6 provider's certification is not required to collect, report, or pay
7 the tax.

8 (a-2) The owner of a motor vehicle rented through a
9 marketplace rental provider may elect to report and pay the tax on
10 gross rental receipts to the comptroller. If the owner elects to
11 report and pay the tax under this subsection:

12 (1) the owner must:
13 (A) register as required by Section 152.065; and
14 (B) inform the marketplace rental provider in
15 writing of the election; and

16 (2) the marketplace rental provider shall forward the
17 tax collected by the provider to the owner.

18 (b) The owner of a motor vehicle subject to the tax on gross
19 rental receipts or, if the motor vehicle is rented through a
20 marketplace rental provider, the provider, shall add the tax to the
21 rental charge, and when added, the tax is:

22 (1) a part of the rental charge;
23 (2) a debt owed to the motor vehicle owner or
24 marketplace rental provider, as applicable, by the person renting
25 the vehicle; and

26 (3) recoverable at law in the same manner as the rental
27 charge.

1 (c) The comptroller may proceed against a person renting a
2 motor vehicle, the owner of the rented motor vehicle, or the
3 marketplace rental provider, as applicable, for any unpaid gross
4 rental receipts tax.

5 (d) In addition to any other penalty provided by law, the
6 owner of a motor vehicle subject to the tax on gross rental receipts
7 who is required to file a report as provided by this chapter and who
8 fails to timely file the report shall pay a penalty of \$50. If the
9 motor vehicle is rented through a marketplace rental provider and
10 the provider is required to file a report under this chapter but
11 fails to timely file the report, the provider shall pay a penalty of
12 \$50. The penalty provided by this subsection is assessed without
13 regard to whether the taxpayer subsequently files the report or
14 whether any taxes were due from the taxpayer for the reporting
15 period under the required report.

16 SECTION 9. Section 152.046(b), Tax Code, is amended to read
17 as follows:

18 (b) An owner of a motor vehicle on which the motor vehicle
19 sales or use tax has been paid who subsequently uses the vehicle for
20 rental [~~shall collect the gross rental receipts tax imposed by this~~
21 ~~chapter from the person renting the vehicle. The owner]~~ may credit
22 an amount equal to the motor vehicle sales or use tax paid by the
23 owner to the comptroller against the amount of gross rental
24 receipts due from the owner. This credit is not transferable and
25 cannot be applied against tax due and payable from the rental of
26 another vehicle belonging to the same owner.

27 SECTION 10. Section 152.063(b), Tax Code, is amended to

1 read as follows:

2 (b) Except as otherwise provided by Section 111.0041:

3 (1) the ~~[The]~~ owner of a motor vehicle used for rental
4 purposes shall keep for at least four years after the purchase of
5 the ~~[a]~~ motor vehicle records and supporting documents containing
6 ~~[the following]~~ information on the amount of:

7 (A) ~~[(1)]~~ total consideration for the motor
8 vehicle; and

9 (B) ~~[(2)]~~ motor vehicle sales or use tax paid on
10 the motor vehicle; and

11 (2) the owner of a motor vehicle used for rental
12 purposes and, if the motor vehicle is rented through a marketplace
13 rental provider, the provider, shall keep for at least four years
14 supporting documents containing information on the amount of:

15 (A) ~~[(3)]~~ gross rental receipts received by the
16 owner or provider, as applicable, from the rental of the motor
17 vehicle; and

18 (B) ~~[(4)]~~ gross rental receipts tax paid to the
19 comptroller by the owner or provider, as applicable, on each motor
20 vehicle used for rental purposes by the owner.

21 SECTION 11. Section 152.065, Tax Code, is amended to read as
22 follows:

23 Sec. 152.065. REQUIRED PERMITS. A motor vehicle owner or a
24 marketplace rental provider required to collect, report, and pay a
25 tax on gross rental receipts imposed by this chapter and a seller
26 required to collect, report, and pay a tax on a seller-financed sale
27 shall register as a retailer with the comptroller in the same manner

1 as is required of a retailer under Subchapter F, Chapter 151.

2 SECTION 12. Subchapter D, Chapter 152, Tax Code, is amended
3 by adding Section 152.070 to read as follows:

4 Sec. 152.070. MARKETPLACE RENTAL PROVIDER'S REPORT. A
5 marketplace rental provider shall send to the owner of a motor
6 vehicle that is rented through the provider a report each month that
7 shows the amount of tax collected, reported, and paid for each motor
8 vehicle that the owner owns and that is rented through the provider.
9 The provider is not required to send the report to an owner who
10 elects to report and pay the tax under Section 152.045(a-2).

11 SECTION 13. This Act applies only to a rental agreement for
12 the rental of a motor vehicle entered into on or after the effective
13 date of this Act. A rental agreement for the rental of a motor
14 vehicle entered into before the effective date of this Act is
15 governed by the law in effect on the date the rental agreement was
16 entered into, and the former law is continued in effect for the
17 collection of taxes due and for civil and criminal enforcement of
18 the liability for those taxes.

19 SECTION 14. This Act takes effect October 1, 2023.