

By: Burnam

H.B. No. 34

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the rate of the motor vehicle sales and use tax imposed  
3 on certain vehicles.

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

5 SECTION 1. Section 152.001, Tax Code, is amended by adding  
6 Subdivisions (20) and (21) to read as follows:

7 (20) "Bin" means a set of emissions standards  
8 applicable to exhaust pollutants measured on the Federal Test  
9 Procedure (FTP) according to 40 C.F.R. Section 86.1811-04.

10 (21) "Heavy-duty motor vehicle" means a van, pickup  
11 truck, or sports utility vehicle with a gross vehicle weight rating  
12 of more than 8,500 pounds.

13 SECTION 2. Section 152.021, Tax Code, is amended by  
14 amending Subsection (b) and adding Subsections (c) and (d) to read  
15 as follows:

16 (b) Except as provided by Subsection (c), the [The] tax rate  
17 is 6 1/4 percent of the total consideration.

18 (c) The tax rate is:

19 (1) 7.25 percent of the total consideration if:

20 (A) the motor vehicle has an emissions standard  
21 of bin 8 or higher; or

22 (B) the motor vehicle:

23 (i) has a city fuel economy estimate of not  
24 more than 14 miles per gallon of gasoline or conventional diesel

1 fuel as reported by the United States Environmental Protection  
2 Agency; or

3 (ii) is a heavy-duty motor vehicle that  
4 will not be used primarily for business purposes; and

5 (2) 8.25 percent of the total consideration if the  
6 motor vehicle is described by Subdivisions (1)(A) and (B).

7 (d) It is presumed that a heavy-duty motor vehicle will not  
8 be used primarily for business purposes unless the purchaser,  
9 lessee, or renter files with the seller or owner a sworn statement  
10 that the purchaser intends to use the motor vehicle primarily for  
11 business purposes. The seller or owner must keep the sworn  
12 statement with the seller's or owner's records as required by  
13 Section 152.063.

14 SECTION 3. Section 152.022(b), Tax Code, is amended to read  
15 as follows:

16 (b) The tax [~~rate~~] is imposed at the appropriate rate  
17 prescribed by Section 152.021 on [6 1/4 percent of] the total  
18 consideration.

19 SECTION 4. Section 152.026(b), Tax Code, is amended to read  
20 as follows:

21 (b) The tax rate is 10 percent of the gross rental receipts  
22 from the rental of a rented motor vehicle for 30 days or less. The  
23 tax on [and 6 1/4 percent of] the gross rental receipts from the  
24 rental of a rented motor vehicle for longer than 30 days is imposed  
25 at the appropriate rate prescribed by Section 152.021.

26 SECTION 5. This Act takes effect September 1, 2004.