

BILL ANALYSIS

H.B. 1444
By: Krusee
Local Government Ways and Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

During the 77th Legislative Session, SB 248, which eliminated ad valorem taxes for vehicles leased primarily for personal use, passed the legislature. Prior to that legislation, under Texas Tax Code, all leased vehicles were subject to those taxes. That law was originally intended to apply to business leasing fleets of vehicles. Many leases today are for individuals interested in driving a vehicle for a lower price. However, when S.B. 248 passed, there was a provision included which sunsets the law if not continued by the current legislature.

HB 1444 would repeal Section 11.252 (g) of the Tax Code which sunsets the current exemption of ad valorem taxes on certain leased vehicles. HB 1444 would also repeal a municipality's option to be exempted from Section 11.252, Tax Code.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1.

Repeals Section 11.252 (f), Tax Code.

SECTION 2.

Repeals Section 11.252 (g), Tax Code.

EFFECTIVE DATE

This Act takes effect immediately if it receives an affirmative two-thirds vote of the members of each house. If it does not receive the necessary vote, this Act take effect September 1, 2003.

Section 1 of this Act takes effect January 1, 2004.