

AN ACT

relating to motor vehicle sales and use taxes.

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

SECTION 1. Section 152.002, Tax Code, is amended by adding Subsection (f) to read as follows:

(f) Notwithstanding Subsection (a), the total consideration of a used motor vehicle is the amount on which the tax is computed as provided by Section 152.0412.

SECTION 2. Section 152.041(a), Tax Code, is amended to read as follows:

(a) The tax assessor-collector of the county in which an application for registration or for a Texas certificate of title is made shall collect taxes imposed by this chapter, subject to Section 152.0412, unless another person is required by this chapter to collect the taxes.

SECTION 3. Subchapter C, Chapter 152, Tax Code, is amended by adding Section 152.0412 to read as follows:

Sec. 152.0412. STANDARD PRESUMPTIVE VALUE; USE BY TAX ASSESSOR-COLLECTOR. (a) In this section, "standard presumptive value" means the private-party transaction value of a motor vehicle, as determined by the Texas Department of Transportation based on an appropriate regional guidebook of a nationally recognized motor vehicle value guide service, or based on another motor vehicle guide publication that the department determines is

1 appropriate if a private-party transaction value for the motor
2 vehicle is not available from a regional guidebook described by
3 this subsection.

4 (b) If the amount paid for a motor vehicle subject to the tax
5 imposed by this chapter is equal to or greater than 80 percent of
6 the standard presumptive value of the vehicle, a county tax
7 assessor-collector shall compute the tax on the amount paid.

8 (c) If the amount paid for a motor vehicle subject to the tax
9 imposed by this chapter is less than 80 percent of the standard
10 presumptive value of the vehicle, a county tax assessor-collector
11 shall compute the tax on the amount that is equal to 80 percent of
12 the standard presumptive value of the vehicle, unless the purchaser
13 establishes the valuation of the vehicle as provided by Subsection
14 (d).

15 (d) A county tax assessor-collector shall compute the tax
16 imposed by this chapter on the valuation of a motor vehicle if the
17 valuation is shown on:

18 (1) documentation, including a receipt or invoice,
19 provided by the seller to the purchaser of the vehicle, but only if
20 the seller is a motor vehicle dealer operating under Subchapter B,
21 Chapter 503, Transportation Code, or under similar regulatory
22 requirements of another state; or

23 (2) an appraisal certified by an adjuster licensed
24 under Chapter 4101, Insurance Code, by a motor vehicle dealer
25 operating under Subchapter B, Chapter 503, Transportation Code, or
26 by an adjuster or motor vehicle dealer licensed or operating under
27 similar regulatory requirements of another state.

1 (d-1) An appraisal described by Subsection (d)(2):

2 (1) must be on a form prescribed by the comptroller for
3 that purpose; and

4 (2) must be obtained by the purchaser of the vehicle
5 not later than the 20th working day after the date the motor vehicle
6 is delivered to the purchaser or is brought into this state, as
7 applicable.

8 (e) On request, a motor vehicle dealer operating under
9 Subchapter B, Chapter 503, Transportation Code, or under similar
10 regulatory requirements of another state shall provide a certified
11 appraisal of the valuation of a motor vehicle. The comptroller by
12 rule shall establish a fee that a dealer may charge for providing
13 the certified appraisal. The county tax assessor-collector shall
14 retain a copy of a certified appraisal received under this section
15 for a period prescribed by the comptroller.

16 (f) The Texas Department of Transportation shall maintain
17 information on the standard presumptive values of motor vehicles as
18 part of the department's registration and title system. The
19 department shall update the information at least quarterly each
20 calendar year and publish, electronically or otherwise, the updated
21 information.

22 (g) This section does not apply to a transaction described
23 by Section 152.024 or 152.025.

24 (h) This section does not apply to a motor vehicle disposed
25 of in accordance with Chapter 2303, Occupations Code, Chapter 70,
26 Property Code, or Chapter 683, Transportation Code.

27 (i) This section does not apply to a motor vehicle that is

1 eligible for a specialty license plate under Section 504.501,
2 Transportation Code.

3 (j) The requirements of Section 520.031, Transportation
4 Code, continue to apply to a transferee of a used motor vehicle who
5 obtains an appraisal under Subsection (d)(2), and obtaining an
6 appraisal does not modify those requirements.

7 SECTION 4. Not later than October 1, 2006, the Texas
8 Department of Transportation shall:

9 (1) establish standard presumptive values for motor
10 vehicles as provided by Section 152.0412, Tax Code, as added by this
11 Act;

12 (2) modify the department's registration and title
13 system as needed to include that information and administer that
14 section;

15 (3) make that information available through the system
16 to all county tax assessor-collectors; and

17 (4) publish that information and make the published
18 information available to any requesting person.

19 SECTION 5. The changes in law made by this Act do not affect
20 tax liability accruing before the effective date of this Act. That
21 liability continues in effect as if this Act had not been enacted,
22 and the former law is continued in effect for the collection of
23 taxes due and for civil and criminal enforcement of the liability
24 for those taxes.

25 SECTION 6. (a) Except as provided by Subsection (b) of this
26 section, this Act takes effect July 1, 2006, if this Act receives a
27 vote of two-thirds of all the members elected to each house, as

1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for effect on that date,
3 this Act takes effect on the first day of the first month that
4 begins on or after the 91st day after the last day of the
5 legislative session.

6 (b) Section 152.0412, Tax Code, as added by this Act, takes
7 effect October 1, 2006.

President of the Senate

Speaker of the House

I certify that H.B. No. 4 was passed by the House on April 24, 2006, by the following vote: Yeas 80, Nays 67, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 4 on May 4, 2006, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 4 on May 8, 2006, by the following vote: Yeas 86, Nays 47, 2 present, not voting.

Chief Clerk of the House

H.B. No. 4

I certify that H.B. No. 4 was passed by the Senate, with amendments, on May 2, 2006, by the following vote: Yeas 21, Nays 10; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 4 on May 8, 2006, by the following vote: Yeas 21, Nays 10.

Secretary of the Senate

APPROVED: _____

Date

Governor