

By: Swinford

H.B. No. 4

Substitute the following for H.B. No. 4:

By: Keffer of Eastland

C.S.H.B. No. 4

A BILL TO BE ENTITLED

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 average retail value of a motor vehicle as determined by the Texas Department of Transportation, based on a nationally recognized motor vehicle industry reporting service.

(b) If the amount paid for a motor vehicle subject to the tax imposed by this chapter is equal to or greater than 80 percent of

1 the standard presumptive value of the vehicle, a county tax
2 assessor-collector shall compute the tax on the amount paid.

3 (c) If the amount paid for a motor vehicle subject to the tax
4 imposed by this chapter is less than 80 percent of the standard
5 presumptive value of the vehicle, a county tax assessor-collector
6 shall compute the tax on the standard presumptive value unless the
7 purchaser establishes the retail value of the vehicle as provided
8 by Subsection (d).

9 (d) A county tax assessor-collector shall compute the tax
10 imposed by this chapter on the retail value of a motor vehicle if
11 the retail value is shown on:

12 (1) documentation, including a receipt or invoice,
13 provided by the seller to the purchaser of the vehicle, but only if
14 the seller is a motor vehicle dealer operating under Subchapter B,
15 Chapter 503, Transportation Code; or

16 (2) an appraisal certified by an adjuster licensed
17 under Chapter 4101, Insurance Code, or by a motor vehicle dealer
18 operating under Subchapter B, Chapter 503, Transportation Code.

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

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

22 (2) must be obtained by the purchaser of the vehicle
23 not later than the 20th day after the date of purchase.

24 (e) On request, a motor vehicle dealer operating under
25 Subchapter B, Chapter 503, Transportation Code, shall provide a
26 certified appraisal of the retail value of a motor vehicle. The
27 comptroller by rule shall establish a fee that a dealer may charge

1 for providing the certified appraisal. The county tax
2 assessor-collector shall retain a copy of a certified appraisal
3 received under this section for a period prescribed by the
4 comptroller.

5 (f) The Texas Department of Transportation shall maintain
6 information on the standard presumptive values of motor vehicles as
7 part of the department's registration and title system. The
8 department shall update the information at least quarterly each
9 calendar year.

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

12 (h) This section does not apply to a motor vehicle disposed
13 of in accordance with Chapter 2303, Occupations Code, or Chapter
14 683, Transportation Code.

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

17 (1) establish standard presumptive values for motor
18 vehicles as provided by Section 152.0412, Tax Code, as added by this
19 Act;

20 (2) modify the department's registration and title
21 system as needed to include that information and administer that
22 section; and

23 (3) make that information available through the system
24 to all county tax assessor-collectors.

25 SECTION 5. The changes in law made by this Act do not affect
26 tax liability accruing before the effective date of this Act. That
27 liability continues in effect as if this Act had not been enacted,

1 and the former law is continued in effect for the collection of
2 taxes due and for civil and criminal enforcement of the liability
3 for those taxes.

4 SECTION 6. (a) Except as provided by Subsection (b) of this
5 section, this Act takes effect July 1, 2006, if this Act receives a
6 vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for effect on that date,
9 this Act takes effect on the first day of the first month that
10 begins on or after the 91st day after the last day of the
11 legislative session.

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