

By: Swinford

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 the standard

1 presumptive value of the vehicle, a county tax assessor-collector  
2 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 the standard presumptive value  
5 of the vehicle, a county tax assessor-collector shall compute the  
6 tax on the standard presumptive value unless the purchaser  
7 establishes the retail value of the vehicle as provided by  
8 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 (1) the retail value is shown on an appraisal  
12 certified by an adjuster licensed under Chapter 4101, Insurance  
13 Code, or by a motor vehicle dealer operating under Subchapter B,  
14 Chapter 503, Transportation Code;

15 (2) the appraisal is on a form prescribed by the  
16 comptroller for that purpose; and

17 (3) the purchaser of the vehicle obtains the appraisal  
18 not later than the 20th day after the date of purchase.

19 (e) On request, a motor vehicle dealer operating under  
20 Subchapter B, Chapter 503, Transportation Code, shall provide a  
21 certified appraisal of the retail value of a motor vehicle. The  
22 comptroller by rule shall establish a fee that a dealer may charge  
23 for providing the certified appraisal. The county tax  
24 assessor-collector shall retain a copy of a certified appraisal  
25 received under this section for a period prescribed by the  
26 comptroller.

27 (f) The Texas Department of Transportation shall maintain

1 information on the standard presumptive values of motor vehicles as  
2 part of the department's registration and title system. The  
3 department shall update the information at least quarterly each  
4 calendar year.

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

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; and

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

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

23 SECTION 6. (a) Except as provided by Subsection (b) of this  
24 section, this Act takes effect July 1, 2006, if this Act receives a  
25 vote of two-thirds of all the members elected to each house, as  
26 provided by Section 39, Article III, Texas Constitution. If this  
27 Act does not receive the vote necessary for effect on that date,

1 this Act takes effect on the first day of the first month that  
2 begins on or after the 91st day after the last day of the  
3 legislative session.

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