

1-1 By: Swinford (Senate Sponsor - Janek) H.B. No. 4
1-2 (In the Senate - Received from the House April 25, 2006;
1-3 April 25, 2006, read first time and referred to Committee on
1-4 Finance; April 29, 2006, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 11, Nays 4;
1-6 April 29, 2006, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 4 By: Janek

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to motor vehicle sales and use taxes.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 152.002, Tax Code, is amended by adding
1-13 Subsection (f) to read as follows:

1-14 (f) Notwithstanding Subsection (a), the total consideration
1-15 of a used motor vehicle is the amount on which the tax is computed as
1-16 provided by Section 152.0412.

1-17 SECTION 2. Section 152.041(a), Tax Code, is amended to read
1-18 as follows:

1-19 (a) The tax assessor-collector of the county in which an
1-20 application for registration or for a Texas certificate of title is
1-21 made shall collect taxes imposed by this chapter, subject to
1-22 Section 152.0412, unless another person is required by this chapter
1-23 to collect the taxes.

1-24 SECTION 3. Subchapter C, Chapter 152, Tax Code, is amended
1-25 by adding Section 152.0412 to read as follows:

1-26 Sec. 152.0412. STANDARD PRESUMPTIVE VALUE; USE BY TAX
1-27 ASSESSOR-COLLECTOR. (a) In this section, "standard presumptive
1-28 value" means the fair local market value of a motor vehicle in a
1-29 private party transaction, as determined by the Texas Department of
1-30 Transportation based on a nationally recognized motor vehicle
1-31 industry reporting service.

1-32 (b) If the amount paid for a motor vehicle subject to the tax
1-33 imposed by this chapter is equal to or greater than 80 percent of
1-34 the standard presumptive value of the vehicle, a county tax
1-35 assessor-collector shall compute the tax on the amount paid.

1-36 (c) If the amount paid for a motor vehicle subject to the tax
1-37 imposed by this chapter is less than 80 percent of the standard
1-38 presumptive value of the vehicle, a county tax assessor-collector
1-39 shall compute the tax on the amount that is equal to 80 percent of
1-40 the standard presumptive value of the vehicle, unless the purchaser
1-41 establishes the valuation of the vehicle as provided by Subsection
1-42 (d).

1-43 (d) A county tax assessor-collector shall compute the tax
1-44 imposed by this chapter on the valuation of a motor vehicle if the
1-45 valuation is shown on:

1-46 (1) documentation, including a receipt or invoice,
1-47 provided by the seller to the purchaser of the vehicle, but only if
1-48 the seller is a motor vehicle dealer operating under Subchapter B,
1-49 Chapter 503, Transportation Code, or under similar regulatory
1-50 requirements of another state; or

1-51 (2) an appraisal certified by an adjuster licensed
1-52 under Chapter 4101, Insurance Code, by a motor vehicle dealer
1-53 operating under Subchapter B, Chapter 503, Transportation Code, or
1-54 by an adjuster or motor vehicle dealer licensed or operating under
1-55 similar regulatory requirements of another state.

1-56 (d-1) An appraisal described by Subsection (d)(2):

1-57 (1) must be on a form prescribed by the comptroller for
1-58 that purpose; and

1-59 (2) must be obtained by the purchaser of the vehicle
1-60 not later than the 20th day after the date of purchase.

1-61 (e) On request, a motor vehicle dealer operating under
1-62 Subchapter B, Chapter 503, Transportation Code, or under similar
1-63 regulatory requirements of another state shall provide a certified

2-1 appraisal of the valuation of a motor vehicle. The comptroller by
2-2 rule shall establish a fee that a dealer may charge for providing
2-3 the certified appraisal. The county tax assessor-collector shall
2-4 retain a copy of a certified appraisal received under this section
2-5 for a period prescribed by the comptroller.

2-6 (f) The Texas Department of Transportation shall maintain
2-7 information on the standard presumptive values of motor vehicles as
2-8 part of the department's registration and title system. The
2-9 department shall update the information at least quarterly each
2-10 calendar year and publish, electronically or otherwise, the updated
2-11 information. The department may charge a person a reasonable fee
2-12 for access to the publication.

2-13 (g) This section does not apply to a transaction described
2-14 by Section 152.024 or 152.025.

2-15 (h) This section does not apply to a motor vehicle disposed
2-16 of in accordance with Chapter 2303, Occupations Code, Chapter 70,
2-17 Property Code, or Chapter 683, Transportation Code.

2-18 (i) This section does not apply to a motor vehicle that is
2-19 eligible for a specialty license plate under Section 504.501,
2-20 Transportation Code.

2-21 (j) The requirements of Section 520.031, Transportation
2-22 Code, continue to apply to a transferee of a used motor vehicle who
2-23 obtains an appraisal under Subsection (d)(2), and obtaining an
2-24 appraisal does not modify those requirements.

2-25 SECTION 4. Not later than October 1, 2006, the Texas
2-26 Department of Transportation shall:

2-27 (1) establish standard presumptive values for motor
2-28 vehicles as provided by Section 152.0412, Tax Code, as added by this
2-29 Act;

2-30 (2) modify the department's registration and title
2-31 system as needed to include that information and administer that
2-32 section;

2-33 (3) make that information available through the system
2-34 to all county tax assessor-collectors; and

2-35 (4) publish that information and make the published
2-36 information available to any requesting person.

2-37 SECTION 5. The changes in law made by this Act do not affect
2-38 tax liability accruing before the effective date of this Act. That
2-39 liability continues in effect as if this Act had not been enacted,
2-40 and the former law is continued in effect for the collection of
2-41 taxes due and for civil and criminal enforcement of the liability
2-42 for those taxes.

2-43 SECTION 6. (a) Except as provided by Subsection (b) of this
2-44 section, this Act takes effect July 1, 2006, if this Act receives a
2-45 vote of two-thirds of all the members elected to each house, as
2-46 provided by Section 39, Article III, Texas Constitution. If this
2-47 Act does not receive the vote necessary for effect on that date,
2-48 this Act takes effect on the first day of the first month that
2-49 begins on or after the 91st day after the last day of the
2-50 legislative session.

2-51 (b) Section 152.0412, Tax Code, as added by this Act, takes
2-52 effect October 1, 2006.

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