

By: Burnam

H.B. No. 64

A BILL TO BE ENTITLED

AN ACT

relating to the imposition of the motor vehicle sales and use tax on motor vehicles based on the amounts of emissions.

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

SECTION 1. Chapter 201, Transportation Code, is amended by adding Subchapter P to read as follows:

SUBCHAPTER P. MOTOR VEHICLE GREENHOUSE GAS EMISSIONS

Sec. 201.981. MOTOR VEHICLE GREENHOUSE GAS EMISSIONS

CLASSIFICATIONS. (a) The commission by rule shall adopt greenhouse gas emissions classifications for motor vehicles sold in this state or brought into this state and subject to taxation under Chapter 152, Tax Code. The classifications adopted by the commission must specify which motor vehicles are considered to have:

(1) very high greenhouse gas emissions;

(2) high greenhouse gas emissions;

(3) average greenhouse gas emissions;

(4) fair greenhouse gas emissions; and

(5) low greenhouse gas emissions.

(b) The initial classifications adopted by the commission must provide that:

(1) to be classified as having very high greenhouse gas emissions, a motor vehicle must emit more than 1.12 pounds of carbon dioxide per mile;

1 (2) to be classified as having high greenhouse gas
2 emissions, a motor vehicle must emit more than one pound of carbon
3 dioxide per mile, but not more than 1.12 pounds per mile;

4 (3) to be classified as having average greenhouse gas
5 emissions, a motor vehicle must emit more than .82 pounds of carbon
6 dioxide per mile, but not more than one pound per mile;

7 (4) to be classified as having fair greenhouse gas
8 emissions, a motor vehicle must emit .75 pounds or more of carbon
9 dioxide per mile, but not more than .82 pounds per mile;

10 (5) to be classified as having low greenhouse gas
11 emissions, a motor vehicle must emit less than .75 pounds of carbon
12 dioxide per mile.

13 (c) The commission shall revise the classifications at
14 least every three years. In revising the classifications under this
15 section, the commission shall consider greenhouse gas emissions for
16 motor vehicles that were purchased in this state during the
17 preceding year, divided into quintiles.

18 (d) The department shall require a franchised motor vehicle
19 dealer, as that term is defined by Section 503.001, to inform
20 customers of how:

21 (1) each vehicle is classified under this section and
22 taxed under Chapter 152, Tax Code; and

23 (2) the department determines the classifications,
24 such as by ranking vehicle emissions information for this state.

25 SECTION 2. Section 152.021, Tax Code, is amended by
26 amending Subsection (b) and adding Subsection (c) to read as
27 follows:

1 (b) Except as provided by Subsection (c), the ~~[The]~~ tax rate
2 is 6-1/4 percent of the total consideration.

3 (c) The tax rate is:

4 (1) 10.25 percent of the total consideration if the
5 motor vehicle is a new motor vehicle that has very high greenhouse
6 gas emissions, as determined by the Texas Department of
7 Transportation under Section 201.981, Transportation Code;

8 (2) 8.25 percent of the total consideration if the
9 motor vehicle is a new motor vehicle that has high greenhouse gas
10 emissions, as determined by the Texas Department of Transportation
11 under Section 201.981, Transportation Code;

12 (3) 6.25 percent of the total consideration if the
13 motor vehicle is a new motor vehicle that has average greenhouse gas
14 emissions, as determined by the Texas Department of Transportation
15 under Section 201.981, Transportation Code;

16 (4) 4.25 percent of the total consideration if the
17 motor vehicle is a new motor vehicle that has fair greenhouse gas
18 emissions, as determined by the Texas Department of Transportation
19 under Section 201.981, Transportation Code; and

20 (5) 2.25 percent of the total consideration if the
21 motor vehicle is a new motor vehicle that has low greenhouse gas
22 emissions, as determined by the Texas Department of Transportation
23 under Section 201.981, Transportation Code.

24 SECTION 3. Section 152.022(b), Tax Code, is amended to read
25 as follows:

26 (b) The tax ~~[rate]~~ is imposed at the appropriate rate
27 prescribed by Section 152.021 on ~~[6-1/4 percent of]~~ the total

1 consideration.

2 SECTION 4. Section 152.026(b), Tax Code, is amended to read
3 as follows:

4 (b) The tax rate is 10 percent of the gross rental receipts
5 from the rental of a rented motor vehicle for 30 days or less. The
6 tax on [and 6-1/4 percent of] the gross rental receipts from the
7 rental of a rented motor vehicle for longer than 30 days is imposed
8 at the appropriate rate prescribed by Section 152.021.

9 SECTION 5. Section 152.028(b), Tax Code, is amended to read
10 as follows:

11 (b) The tax [~~rate~~] is imposed at the appropriate rate
12 prescribed by Section 152.021 on [6-1/4 percent of] the total
13 consideration.

14 SECTION 6. Subchapter G, Chapter 152, Tax Code, is amended
15 by adding Section 152.1225 to read as follows:

16 Sec. 152.1225. ALLOCATION OF CERTAIN REVENUE TO THE
17 FOUNDATION SCHOOL FUND. (a) Notwithstanding Section 152.122, for
18 each state fiscal year, the comptroller shall deposit to the credit
19 of the foundation school fund the amount of increased taxes
20 collected under this chapter attributable to the revision of the
21 tax rates prescribed by Section 152.021 by the 79th Legislature,
22 3rd Called Session, 2006, to reflect the greenhouse gas emissions
23 of motor vehicles.

24 (b) If the amount under Subsection (a) is less than zero,
25 the comptroller shall consider the amount to be zero.

26 SECTION 7. (a) Except as provided by Subsection (c) of
27 this section, this Act takes effect on the first day of the first

1 month that begins on or after the 91st day after the last day of the
2 legislative session.

3 (b) Not later than September 1, 2006, the Texas
4 Transportation Commission by rule shall adopt the initial motor
5 vehicle greenhouse gas emissions classifications required by
6 Section 201.981, Transportation Code, as added by this Act.

7 (c) Sections 152.021, 152.022, 152.026, and 152.028, Tax
8 Code, as amended by this Act, and Section 152.1225, Tax Code, as
9 added by this Act, take effect October 1, 2006.