

## **BILL ANALYSIS**

S.B. 867  
By: Staples  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Senate Bill 5, enacted by the 77th Legislature, Regular Session, 2001, levied a motor vehicle sales tax emissions reduction surcharge of 2.5 percent on the sale or lease of diesel vehicles, model year 1996 and earlier. In 2003, the 78th Legislature, Regular Session, enacted H.B. 1365 which imposed a surcharge of one percent on the sale, lease, or use of 1997 model or newer vehicles over 14,000 pounds. Although recreational vehicles (RVs) are not operated with the same frequency as other vehicles of the same fuel type or weight class, many RVs, which are designed for private use, are subject to the surcharges because of their weight.

The purpose of S.B. 867 is to exempt RVs from the motor vehicle sales tax emissions reduction surcharge.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 867 provides that the surcharge imposed under Section 152.0215(a) of the Tax Code does not apply to a recreational vehicle that is not held or used for the production of income.

### **EFFECTIVE DATE**

September 1, 2005