

By: Anchia

H.B. No. 1156

A BILL TO BE ENTITLED

AN ACT

relating to the rate of the motor vehicle sales and use tax imposed on certain new hybrid motor vehicles.

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

SECTION 1. Section 152.001, Tax Code, is amended by adding Subdivisions (20) and (21) to read as follows:

(20) "City fuel economy rating" means the estimate of the average number of miles per gallon of gasoline or conventional diesel fuel that will be used in city driving as reported by the United States Environmental Protection Agency.

(21) "New hybrid motor vehicle" means a new motor vehicle that:

(A) complies with the vehicle exhaust standards for gasoline-powered passenger cars prescribed under the national low emissions vehicle program; and

(B) draws propulsion energy from both gasoline or conventional diesel fuel and a rechargeable energy storage system.

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

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

(c) The tax rate for a new hybrid motor vehicle is:

(1) 4.69 percent if the new hybrid motor vehicle has a

1 city fuel economy rating of at least 15 but less than 30 miles per
2 gallon;

3 (2) 3.125 percent if the new hybrid motor vehicle has a
4 city fuel economy rating of at least 30 but less than 45 miles per
5 gallon; or

6 (3) 1.56 percent if the new hybrid motor vehicle has a
7 city fuel economy rating of at least 45 but less than 60 miles per
8 gallon.

9 (d) Subsection (c) and this subsection expire September 1,
10 2008.

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

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

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

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

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

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

1 SECTION 6. Subchapter E, Chapter 152, Tax Code, is amended
2 by adding Section 152.090 to read as follows:

3 Sec. 152.090. CERTAIN NEW HYBRID MOTOR VEHICLES. (a) The
4 taxes imposed by this chapter do not apply to the sale or use of a
5 new hybrid motor vehicle if the motor vehicle has a city fuel
6 economy rating of at least 60 miles per gallon.

7 (b) This section expires September 1, 2008.

8 SECTION 7. The change in law made by this Act does not
9 affect tax liability accruing before the effective date of this
10 Act. That liability continues in effect as if this Act had not been
11 enacted, and the former law is continued in effect for the
12 collection of taxes due and for civil and criminal enforcement of
13 the liability for those taxes.

14 SECTION 8. This Act takes effect September 1, 2005.