

Amend **HB 3319** by adding the following additional SECTIONS in the appropriate place and renumber subsequent SECTIONS

SECTION _____. Subchapter E, Chapter 152, Tax Code, is amended by adding Section 152.090 and 152.091 to read as follows:

Sec. 152.090. CERTAIN HYDROGEN-POWERED MOTOR VEHICLES. (a)
In this section, "hydrogen-powered motor vehicle" means a vehicle that meets the Phase II standards established by the California Air Resources Board as of September 1, 2007, for an ultra low-emission vehicle II or stricter Phase II emission standards established by that board and:

(1) is hydrogen power capable and has a fuel economy rating of at least 45 miles per gallon; or

(2) is fully hydrogen-powered.

(b) The taxes imposed by this chapter do not apply to the sale or use of a hydrogen-powered motor vehicle.

SECTION _____. Section 403.014 Government Code is amended to read as follows:

403.014. REPORT ON EFFECT OF CERTAIN TAX PROVISIONS. (a) Before each regular session of the legislature, the comptroller shall report to the legislature and the governor on the effect, if it is possible to assess, of exemptions, discounts, exclusions, special valuations, special accounting treatments, special rates, and special methods of reporting relating to:

(1) sales, excise, and use tax under Chapter 151, Tax Code; and Section 152.090 Tax Code

(2) franchise tax under Chapter 171, Tax Code;

(3) school district property taxes under Title 1, Tax Code; and

(4) any other tax generating more than five percent of state tax revenue in the prior fiscal year.

SECTION _____. SECTION _____ and SECTION _____ take effect September 1, 2007