

By: Hancock

H.B. No. 2806

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a motor vehicle sales tax exemption for the trade-in of  
3 older vehicles.

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

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

7 Sec. 152.090. TRADE-IN OF OLDER MOTOR VEHICLES. (a) The  
8 taxes imposed by this chapter do not apply to the sale of a new motor  
9 vehicle in which all or part of the consideration for the sale is a  
10 motor vehicle taken by the seller that was manufactured on or before  
11 December 31, 1993.

12 (b) The comptroller by rule shall establish procedures  
13 relating to the administration of the exemption allowed under this  
14 section.

15 SECTION 2. The change in law made by this Act does not  
16 affect taxes imposed before the effective date of this Act, and the  
17 law in effect before the effective date of this Act is continued in  
18 effect for purposes of the liability for and collection of those  
19 taxes.

20 SECTION 3. This Act takes effect September 1, 2007.