

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 5, 2007**

**TO:** Honorable Steve Ogden, Chair, Senate Committee on Finance

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB261** by Pickett (Relating to the computation of the motor vehicle sales and use tax on the sale of certain motor vehicles.), **As Engrossed**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend Chapter 152 of the Tax Code to exempt certain motor vehicle sales transactions from the presumptive value method of calculating motor vehicle sales tax due.

Under the bill, motor vehicles disposed of by a federal, state, or local governmental entity at public auction, including an auction of abandoned vehicles, would not be subject to the requirements of presumptive value for determining a basis for the computation of motor vehicle sales tax due. The motor vehicle sales tax due would, rather, be based on purchase price paid on the date of sale.

Because these sales would be considered "arms-length" transactions, the sales price should reflect the actual value of a motor vehicle, and any differences between a "presumptive value" and actual price paid would be insignificant.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, CT