

BILL ANALYSIS

H.B. 2071
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Since 1994, dealers of motor vehicles, heavy equipment, and vessels and outboard motors and retailers of units of manufactured housing have been required to file an inventory tax statement with their local tax assessor-collector each month. Taxing jurisdictions, as well as the comptroller of public accounts, have interpreted the law as requiring such statements to be filed not later than the 10th day of the month following the reporting month, regardless of whether a sale occurred in the previous month. This interpretation fostered consistency in reporting and enforcement, and late filers could be tracked and required to comply. Recently, a court questioned this interpretation and ruled that a statement needs to be filed only if sales occurred the previous month. The court's interpretation will result in confusion and difficulty in enforcing the law.

H.B. 2071 clarifies that such inventory tax statements must be filed monthly, regardless of whether sales occurred or not.

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

H.B. 2071 amends the Tax Code to require a dealer of motor vehicles, heavy equipment, and vessels and outboard motors, and a retailer of units of manufactured housing, to complete an inventory tax statement regardless of whether an item is sold from the dealer's or retailer's inventory, rather than with respect to each item sold, and specifies that the dealer or retailer must complete the statement each month. The bill requires the dealer or retailer, on or before the 10th day of a month following a month in which the dealer or retailer does not sell an item, to file the statement with the appropriate county tax assessor-collector and indicate that no sales were made in the prior month. The bill includes the failure of a dealer or retailer to timely file such a statement or an inventory declaration for the purposes of property tax computation as a condition that will result in the dealer or retailer forfeiting a specified penalty for each month or part of a month in which the statement or declaration is not filed or timely filed after it is due. The bill makes technical corrections.

EFFECTIVE DATE

September 1, 2009.