

1-1 By: Averitt S.B. No. 995
1-2 (In the Senate - Filed February 20, 2009; March 9, 2009,
1-3 read first time and referred to Committee on Finance;
1-4 March 31, 2009, reported favorably by the following vote: Yeas 14,
1-5 Nays 0; March 31, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to imposition of the motor vehicle sales tax on motor
1-9 vehicles transferred as the result of a gift.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subdivision (1), Section 152.001, Tax Code, is
1-12 amended to read as follows:

1-13 (1) "Sale" includes:

1-14 (A) an installment and credit sale;

1-15 (B) an exchange of property for property or
1-16 money;

1-17 (C) an exchange in which property is transferred
1-18 but the seller retains title as security for payment of the purchase
1-19 price; ~~and~~

1-20 (D) a transaction in which a motor vehicle is
1-21 transferred to another person without payment of consideration and
1-22 that does not qualify as a gift under Section 152.025; and

1-23 (E) any other closed transaction that
1-24 constitutes a sale.

1-25 SECTION 2. Subsection (a), Section 152.025, Tax Code, is
1-26 amended to read as follows:

1-27 (a) A tax is imposed on the recipient of a gift of a motor
1-28 vehicle. This section applies only if the person receiving the
1-29 motor vehicle:

1-30 (1) receives the vehicle from:

1-31 (A) the person's:

1-32 (i) spouse;

1-33 (ii) parent or stepparent;

1-34 (iii) grandparent or grandchild;

1-35 (iv) child or stepchild; or

1-36 (v) guardian; or

1-37 (B) a decedent's estate; or

1-38 (2) is exempt from federal income taxation under
1-39 Section 501(a), Internal Revenue Code of 1986, by being listed as an
1-40 exempt organization under Section 501(c)(3) of that code, and the
1-41 vehicle will be used for the purposes of the organization.

1-42 SECTION 3. Section 152.062, Tax Code, is amended by
1-43 amending Subsection (b) and adding Subsection (b-1) to read as
1-44 follows:

1-45 (b) The statement must be in the following form:

1-46 (1) if a motor vehicle is sold, the seller and
1-47 purchaser shall make a joint statement of the then value in dollars
1-48 of the total consideration for the vehicle; ~~or~~

1-49 (2) if the ownership of a motor vehicle is transferred
1-50 as the result of an [a gift or] even exchange, the principal parties
1-51 shall make a joint statement describing the nature of the
1-52 transaction; or

1-53 (3) if the ownership of a motor vehicle is transferred
1-54 as the result of a gift, the principal parties shall make a joint
1-55 statement describing the nature of the transaction and the
1-56 relationship between the principal parties.

1-57 (b-1) A joint statement required by Subsection (b)(3) must
1-58 be notarized.

1-59 SECTION 4. This Act applies only to a joint statement
1-60 relating to the transfer of a motor vehicle as a result of a gift
1-61 that is filed with a tax assessor-collector of a county on or after
1-62 the effective date of this Act. A joint statement that is filed
1-63 before that date is governed by the law in effect on the date the
1-64 statement is filed, and that law is continued in effect for that

2-1 purpose.

2-2 SECTION 5. The change in law made by this Act does not
2-3 affect tax liability accruing before the effective date of this
2-4 Act. That liability continues in effect as if this Act had not been
2-5 enacted, and the former law is continued in effect for the
2-6 collection of taxes due and for civil and criminal enforcement of
2-7 the liability for those taxes.

2-8 SECTION 6. This Act takes effect September 1, 2009.

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