

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 31, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

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

IN RE: HB2814 by Oliveira (Relating to the procedure for claiming an exemption from ad valorem taxation for a motor vehicle used for the production of income and for personal activities.),
As Introduced

No significant fiscal implication to the State is anticipated.

This bill would amend the Tax Code, regarding the exemption from property taxes currently provided to a person for one motor vehicle used in their occupation or profession, which is also used for personal activities. The bill would provide that, once allowed, this exemption would not require an annual application.

Currently, owners seeking property tax exemptions on one motor vehicle used for business which is also used for personal activities must make application every year. This bill would allow the owner to make application once, and the vehicle would continue to be exempt until the ownership changes or the qualification for the exemption ends. Because the chief appraiser could require a new application to confirm the owner's continued qualification for the exemption, the bill would not cause a revenue loss to the state or to any local taxing unit.

This bill would take effect January 1, 2010, and would only apply to ad valorem taxes imposed on or after the effective date.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, MN, KK