

Amend CSHB 2357 (house committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS of the bill appropriately:

SECTION _____. Section 152.001, Tax Code, is amended by amending Subdivision (3) and adding Subdivision (20) to read as follows:

(3) "Motor vehicle [~~Vehicle~~]" includes:

(A) a self-propelled vehicle designed to transport persons or property on a public highway;

(B) a trailer and semitrailer, including a van, flatbed, tank, dumpster, dolly, jeep, stinger, auxiliary axle, or converter gear; ~~and~~

(C) a house trailer as defined by Chapter 501, Transportation Code; and

(D) an off-road vehicle that is not required to be registered under Chapter 502, Transportation Code.

(20) "Off-road vehicle" means:

(A) an all-terrain vehicle or a recreational off-highway vehicle, as those terms are defined by Section 502.001, Transportation Code, provided that the vehicle may be designed by the manufacturer primarily for farming; or

(B) a motorcycle designed by the manufacturer for off-highway use.

SECTION _____. Section 152.091, Tax Code, is amended to read as follows:

Sec. 152.091. FARM OR TIMBER USE. (a) The taxes imposed by this chapter do not apply to the sale or use of ~~a~~:

(1) a farm machine, a trailer, a ~~or~~ semitrailer, or an off-road vehicle for use primarily for farming and ranching, including the rearing of poultry, and use in feedlots; or

(2) a machine, a trailer, a ~~or~~ semitrailer, or an off-road vehicle for use primarily for timber operations.

(b)(1) The taxes imposed by this chapter do not apply to the purchase of ~~a~~:

(A) a farm machine, a trailer, a ~~or~~ semitrailer, or an off-road vehicle that is to be leased for use primarily for farming and ranching, including the rearing of

poultry, and use in feedlots; or

(B) a machine, a trailer, a ~~or~~ semitrailer, or an off-road vehicle that is to be leased for use primarily for timber operations.

(2) The exemption provided by this subsection applies only if the person purchasing the machine, trailer, ~~or~~ semitrailer, or off-road vehicle to be leased presents the tax assessor-collector a form prescribed and provided by the comptroller showing:

(A) the identification of the motor vehicle;

(B) the name and address of the lessor and the lessee; and

(C) verification by the lessee that the machine, trailer, ~~or~~ semitrailer, or off-road vehicle will be used primarily for:

(i) farming and ranching, including the rearing of poultry, and use in feedlots; or

(ii) timber operations.

(3) If a motor vehicle for which the tax has not been paid ceases to be leased for use primarily for farming and ranching, including the rearing of poultry, and use in feedlots or timber operations, the owner shall notify the comptroller on a form provided by the comptroller and shall pay the sales or use tax on the motor vehicle based on the owner's book value of the motor vehicle. The tax is imposed at the same percentage rate that is provided by Section 152.021(b).

(c) The taxes imposed by this chapter do not apply to the rental of a farm machine, a trailer, ~~or~~ a semitrailer, or an off-road vehicle for use primarily for farming and ranching, including the rearing of poultry, and use in feedlots, or a machine, a trailer, ~~or~~ a semitrailer, or an off-road vehicle for use primarily for timber operations. The tax that would have been remitted on gross rental receipts without this exemption shall be deemed to have been remitted for the purpose of calculating the minimum gross rental receipts imposed by Section 152.026. The exemption provided by this subsection applies only if the owner of the motor vehicle obtains in good faith an exemption certificate

from the person to whom the vehicle is being rented.

(d) For purposes of this section, a machine or an off-road vehicle is used "primarily for timber operations" if the machine or off-road vehicle is a self-propelled motor vehicle that is specially adapted to perform a specialized function in the production of timber, including land preparation, planting, maintenance, and gathering of trees commonly grown for commercial timber. The term does not include a self-propelled motor vehicle used to transport timber or timber products.

SECTION _____. Subchapter B, Chapter 501, Transportation Code, is amended by adding Section 501.0225 to read as follows:

Sec. 501.0225. CERTIFICATE OF TITLE REQUIRED FOR OFF-ROAD VEHICLE. A person who purchases, imports, or otherwise acquires an off-road vehicle, as defined by Section 152.001, Tax Code, that is not required to be registered under Chapter 502 may not operate or permit the operation of the vehicle in this state, or sell or dispose of the vehicle in this state, until the person obtains a certificate of title for the vehicle. This section does not apply to:

(1) an off-road vehicle that is exempt from motor vehicle sales and use taxation under Section 152.091, Tax Code; or

(2) an off-road vehicle acquired and sold or disposed of by a lienholder exercising a statutory or contractual lien right with regard to the vehicle, except that this section does apply to the purchaser of that vehicle.

SECTION _____. Section 501.0225, Transportation Code, as added by this Act, applies only to a person who purchases, imports, or otherwise acquires an off-road vehicle on or after the effective date of this Act. A person who purchases, imports, or otherwise acquires an off-road vehicle before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION _____. Sections 152.001 and 152.091, Tax Code, as amended by this Act, do not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in

effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.