

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 10, 2011

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

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

IN RE: HB3182 by Ritter (Relating to the imposition of state taxes, including the sales and use, motor vehicle sales and use, and hotel occupancy tax, on certain oilfield portable units.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Tax Code relating to the taxability of oilfield portable units.

The bill would amend Chapter 151, regarding the sales and use tax, to specify that an oilfield portable unit (OPU) as defined in Chapter 152 was not exempt from the sales and use tax.

The bill would amend Chapter 152, regarding motor vehicle taxes, to define an OPU and establish that an OPU was not a "motor vehicle" for tax purposes.

The bill would amend Chapter 156, regarding the hotel occupancy tax, to exclude an OPU from the definition of a "hotel" and taxation under that chapter.

Under current law, OPU-type structures are taxed under the sales and use tax or the motor vehicle sales and use tax. OPU-type structures that are considered manufactured housing are subject to neither the sales and use tax nor the motor vehicle sales and use tax; a manufactured housing dealer, however, is subject to the manufactured housing sales tax on the purchase from a manufacturer. The bill would make clear that an OPU would continue to be taxable under Chapter 151 of the Tax Code.

The bill would take effect September 1, 2011.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts

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