

Amend **CSHB 2741** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION _____. (a) The comptroller of public accounts shall conduct a study of the fiscal effect to both this state and the motorcycle industry in this state of the avoidance of the use tax due on certain off-road vehicles purchased in other states.

(b) The study must include:

(1) an evaluation of the provisions of current Texas law and the practices by out-of-state motorcycle dealers that allow for the incidence of tax avoidance;

(2) an estimate of the total amount of revenue owed to but not collected by this state and the total number of jobs lost in this state due to the incidence of tax avoidance and competitive practices by out-of-state motorcycle dealers;

(3) an evaluation of the manner in which the laws and enforcement practices of other states avoid an incidence of this type of tax avoidance in those states;

(4) the identification of any potential actions within the comptroller's current authority that could significantly reduce the rate of tax avoidance and protect the motorcycle industry in this state from improper competition from out-of-state motorcycle dealers; and

(5) an evaluation of potential changes to current law that could reduce the rate of tax avoidance and protect the motorcycle industry in this state from improper competition from out-of-state motorcycle dealers, including making certain off-road vehicles subject to the motor vehicle tax under Chapter 152, Tax Code, rather than the sales and use tax under Chapter 151, Tax Code.

(c) Not later than December 1, 2013, the comptroller of public accounts shall submit a report of the results of the study and any recommendations to the house ways and means committee and the senate finance committee.

(d) To the extent reasonable and practicable, the comptroller of public accounts shall take actions identified under Subsection (b)(4) of this section to reduce the rate of tax avoidance described by Subsection (a) of this section.

(e) Notwithstanding any other provision of this Act, this section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for this section to have immediate effect, this section takes effect September 1, 2013.