

By: Otto

H.B. No. 315

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of the law governing the ad valorem
taxation of a dealer's motor vehicle inventory.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 23.121(a)(3), Tax Code, is amended to
read as follows:

(3) "Dealer" means a person who holds a dealer's
general distinguishing number issued by the Texas Department of
Motor Vehicles under the authority of Chapter 503, Transportation
Code, or who is legally recognized as a motor vehicle dealer
pursuant to the law of another state and who complies with the terms
of Section 152.063(f). The term does not include:

(A) a person who holds a manufacturer's license
issued under Chapter 2301, Occupations Code;

(B) an entity that is owned or controlled by a
person who holds a manufacturer's license issued under Chapter
2301, Occupations Code; ~~or~~

(C) a dealer whose general distinguishing number
issued by the Texas Department of Motor Vehicles under the
authority of Chapter 503, Transportation Code, prohibits the dealer
from selling a vehicle to any person except a dealer; or

(D) a dealer who:

(i) does not sell motor vehicles described
by Section 152.001(3)(A);

1 (ii) meets either of the following
2 requirements:

3 (a) the total annual sales from the
4 dealer's motor vehicle inventory, less sales to dealers, fleet
5 transactions, and subsequent sales, for the 12-month period
6 corresponding to the preceding tax year are 25 percent or less of
7 the dealer's total revenue from all sources during that period; or

8 (b) the dealer did not sell a motor
9 vehicle to a person other than another dealer during the 12-month
10 period corresponding to the preceding tax year and the dealer
11 estimates that the dealer's total annual sales from the dealer's
12 motor vehicle inventory, less sales to dealers, fleet transactions,
13 and subsequent sales, for the 12-month period corresponding to the
14 current tax year will be 25 percent or less of the dealer's total
15 revenue from all sources during that period;

16 (iii) not later than August 31 of the
17 preceding tax year, filed with the chief appraiser a declaration on
18 a form prescribed by the comptroller stating that the dealer
19 elected not to be treated as a dealer under this section in the
20 current tax year; and

21 (iv) renders the dealer's motor vehicle
22 inventory in the current tax year by filing a rendition with the
23 chief appraiser in the manner provided by Chapter 22.

24 SECTION 2. This Act applies only to the ad valorem taxation
25 of a dealer's motor vehicle inventory for a tax year beginning on or
26 after the effective date of this Act.

27 SECTION 3. This Act takes effect January 1, 2014.