

By: Gonzales

H.B. No. 2119

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the computation of total consideration for purposes of  
3 the motor vehicle sales and use tax.

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

5 SECTION 1. Sections 152.002(d) and (e), Tax Code, are  
6 amended to read as follows:

7 (d) A person who holds a vehicle lessor license under  
8 Chapter 2301, Occupations Code, or is specifically not required to  
9 obtain a lessor license under Section 2301.254(a) of that code may  
10 deduct the fair market value of a replaced motor vehicle that has  
11 been leased for longer than 180 days and is titled to another person  
12 if:

13 (1) either person:

14 (A) holds a beneficial ownership interest in the  
15 other person of at least 80 percent; ~~or~~

16 (B) is directly or indirectly related to the  
17 other person by common ownership of at least 50 percent; or

18 (C) acquires all of its vehicles exclusively from  
19 franchised dealers whose franchisor shares common ownership with  
20 the other person; and

21 (2) the replaced motor vehicle is offered for sale.

22 (e) A person who is a motor vehicle owner, is in the business  
23 of renting motor vehicles, and holds a permit may deduct the fair  
24 market value of a replaced motor vehicle that is titled to another

1 person if:

2 (1) either person:

3 (A) holds a beneficial ownership interest in the  
4 other person of at least 80 percent; ~~or~~

5 (B) is directly or indirectly related to the  
6 other person by common ownership of at least 50 percent; or

7 (C) acquires all of its vehicles exclusively from  
8 franchised dealers whose franchisor shares common ownership with  
9 the other person; and

10 (2) the replaced motor vehicle is offered for sale.

11 SECTION 2. The change in law made by this Act does not  
12 affect tax liability accruing before the effective date of this  
13 Act. That liability continues in effect as if this Act had not been  
14 enacted, and the former law is continued in effect for the  
15 collection of taxes due and for civil and criminal enforcement of  
16 the liability for those taxes.

17 SECTION 3. This Act takes effect September 1, 2013.