

By: Frank

H.B. No. 3352

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a study and possible action regarding the improper
3 avoidance of the use tax due on certain off-road vehicles purchased
4 in other states.

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

6 SECTION 1. STUDY REQUIRED. (a) The comptroller of public
7 accounts shall conduct a study of the fiscal effect, to both this
8 state and its motorcycle industry, of the improper avoidance of the
9 use tax due on certain off-road vehicles purchased in other states.

10 (b) The study must include:

11 (1) an evaluation of the provisions of current Texas
12 law, and the improper practices by out of state motorcycle dealers,
13 which allow for the high incidence of improper avoidance;

14 (2) development of an estimate of the total amount of
15 revenues owed but not collected in this state, and the total number
16 of jobs lost in this state, due to the high incidence of improper
17 avoidance and improper competitive practices by out of state
18 motorcycle dealers;

19 (3) an evaluation of the manner in which the laws and
20 enforcement practices of other states avoid this high incidence of
21 improper avoidance in those states;

22 (4) identification of, and pursuit if reasonable, of
23 any potential actions within the comptroller's current authority
24 which could significantly lower the rate of avoidance and protect

1 the Texas motorcycle industry from improper competition from out of
2 state motorcycle dealers; and

3 (5) evaluation of potential changes to current law
4 which could lower the rate of avoidance and protect the Texas
5 motorcycle industry from improper competition from out of state
6 motorcycle dealers, including the potential shift of certain
7 off-road vehicles from the sales and use tax to the motor vehicle
8 tax.

9 SECTION 2. REPORT OF STUDY RESULTS. Not later than December
10 1, 2013, the comptroller of public accounts shall submit a report of
11 the results of the study and any resulting recommendations to the
12 House Committee on Ways and Means and the Senate Committee on
13 Finance.

14 SECTION 3. EFFECTIVE DATE. This Act takes effect
15 immediately if it receives a vote of two-thirds of all the members
16 elected to each house, as provided by Section 39, Article III, Texas
17 Constitution. If this Act does not receive the vote necessary for
18 immediate effect, this Act takes effect September 1, 2013.