

By: Gonzales

H.B. No. 1127

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 substantial ~~[beneficial]~~ ownership  
15 interest, as determined under Section 151.107(d), in the other  
16 person, including by:

17 (i) direct ownership;

18 (ii) common ownership; or

19 (iii) indirect ownership through a parent  
20 entity, subsidiary, or affiliate ~~[of at least 80 percent]~~; or

21 (B) acquires all of its vehicles exclusively from  
22 franchised dealers whose franchisor shares common ownership with  
23 the other person; and

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

1 (e) A person who is a motor vehicle owner, is in the business  
2 of renting motor vehicles, and holds a permit may deduct the fair  
3 market value of a replaced motor vehicle that is titled to another  
4 person if:

5 (1) either person:

6 (A) holds a substantial [~~beneficial~~] ownership  
7 interest, as determined under Section 151.107(d), in the other  
8 person, including by:

9 (i) direct ownership;

10 (ii) common ownership; or

11 (iii) indirect ownership through a parent  
12 entity, subsidiary, or affiliate [~~of at least 80 percent~~]; or

13 (B) acquires all of its vehicles exclusively from  
14 franchised dealers whose franchisor shares common ownership with  
15 the other person; and

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

17 SECTION 2. The change in law made by this Act does not  
18 affect tax liability accruing before the effective date of this  
19 Act. That liability continues in effect as if this Act had not been  
20 enacted, and the former law is continued in effect for the  
21 collection of taxes due and for civil and criminal enforcement of  
22 the liability for those taxes.

23 SECTION 3. This Act takes effect September 1, 2015.