

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 10, 2015

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2400** by Bohac (relating to the sale of a new motor vehicle to certain manufacturers or distributors; imposing a tax.), **Committee Report 1st House, Substituted**

Depending upon the number of vehicles that may be purchased and subject to the use tax, there would be an indeterminate revenue impact to the state.

This bill would amend Chapter 152 of the Tax Code, regarding taxes on motor vehicles.

The bill would amend Section 152.001 to exclude the sale of a new motor vehicle to a person who is a manufacturer or distributor, as defined by Section 2301.002 of the Occupations Code, and who acquires the vehicle for the purposes allowed under Chapter 503 of the Transportation Code, from the definition of a "retail sale."

The bill would amend Section 152.027 to impose the use tax of \$25 on a person issued a metal manufacturer's plate under Chapter 503 of the Transportation Code.

The bill would make conforming changes elsewhere in this chapter.

The bill would impose a use tax of \$25, instead of the current sales tax at the rate of 6.25 percent of the taxable value, on vehicles purchased by a manufacturer for purposes allowed under Chapter 503, Transportation code. The number of vehicles that may be purchased and subject to the \$25 use tax is unknown. The fiscal implications of the bill cannot be determined.

This bill would take effect September 1, 2015.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD