

1-1 By: Button, Bonnen of Brazoria, Johnson of Dallas H.B. No. 1346
 1-2 (Senate Sponsor - Taylor of Collin)
 1-3 (In the Senate - Received from the House April 18, 2017;
 1-4 April 19, 2017, read first time and referred to Committee on
 1-5 Finance; May 2, 2017, reported favorably by the following vote:
 1-6 Yeas 14, Nays 0; May 2, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23			X	

1-24 A BILL TO BE ENTITLED
 1-25 AN ACT

1-26 relating to the date for prepayment of taxes on a dealer's heavy
 1-27 equipment inventory.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. Sections 23.1242(b) and (f), Tax Code, are
 1-30 amended to read as follows:

1-31 (b) Except for an item of heavy equipment sold to a dealer,
 1-32 an item of heavy equipment included in a fleet transaction, an item
 1-33 of heavy equipment that is the subject of a subsequent sale, or an
 1-34 item of heavy equipment that is subject to a lease or rental, an
 1-35 owner or a person who has agreed by contract to pay the owner's
 1-36 current year property taxes levied against the owner's heavy
 1-37 equipment inventory shall assign a unit property tax to each item of
 1-38 heavy equipment sold from a dealer's heavy equipment inventory. In
 1-39 the case of a lease or rental, the owner shall assign a unit
 1-40 property tax to each item of heavy equipment leased or rented. The
 1-41 unit property tax of each item of heavy equipment is determined by
 1-42 multiplying the sales price of the item or the monthly lease or
 1-43 rental payment received for the item, as applicable, by the unit
 1-44 property tax factor. If the transaction is a lease or rental, the
 1-45 owner shall collect the unit property tax from the lessee or renter
 1-46 at the time the lessee or renter submits payment for the lease or
 1-47 rental. The owner of the equipment shall state the amount of the
 1-48 unit property tax assigned as a separate line item on an
 1-49 invoice. On or before the 20th [~~10th~~] day of each month the owner
 1-50 shall, together with the statement filed by the owner as required by
 1-51 this section, deposit with the collector an amount equal to the
 1-52 total of unit property tax assigned to all items of heavy equipment
 1-53 sold, leased, or rented from the dealer's heavy equipment inventory
 1-54 in the preceding month to which a unit property tax was
 1-55 assigned. The money shall be deposited by the collector to the
 1-56 credit of the owner's escrow account for prepayment of property
 1-57 taxes as provided by this section. An escrow account required by
 1-58 this section is used to pay property taxes levied against the
 1-59 dealer's heavy equipment inventory, and the owner shall fund the
 1-60 escrow account as provided by this subsection.

1-61 (f) On or before the 20th [~~10th~~] day of each month, a dealer

2-1 shall file with the collector the statement covering the sale,
2-2 lease, or rental of each item of heavy equipment sold, leased, or
2-3 rented by the dealer in the preceding month. On or before the 20th
2-4 [~~10th~~] day of a month following a month in which a dealer does not
2-5 sell, lease, or rent an item of heavy equipment, the dealer must
2-6 file the statement with the collector and indicate that no sales,
2-7 leases, or rentals were made in the prior month. A dealer shall
2-8 file a copy of the statement with the chief appraiser and retain
2-9 documentation relating to the disposition of each item of heavy
2-10 equipment sold and the lease or rental of each item of heavy
2-11 equipment. A chief appraiser or collector may examine documents
2-12 held by a dealer as provided by this subsection in the same manner,
2-13 and subject to the same conditions, as provided by Section
2-14 [23.1241\(g\)](#).

2-15 SECTION 2. The change in law made by this Act applies to a
2-16 dealer's heavy equipment inventory tax statement required to be
2-17 filed on or after the effective date of this Act. A dealer's heavy
2-18 equipment inventory tax statement required to be filed before the
2-19 effective date of this Act is governed by the law in effect on the
2-20 date the statement was required to be filed, and the former law is
2-21 continued in effect for that purpose.

2-22 SECTION 3. This Act takes effect September 1, 2017.

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