

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 17, 2017

TO: Honorable Lois W. Kolhorst, Chair, Senate Committee on Administration

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB897** by Ashby (Relating to the exemption from the taxes imposed on the sale, use, or rental of a motor vehicle for certain motor vehicles used for religious purposes.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 152 of the Tax Code, regarding the motor vehicle sales and use tax.

The bill would amend Section 152.001, regarding definitions, to add a motor vehicle that is a trailer to the definition of a "motor vehicle used for religious purposes." This would exempt trailers purchased by religious organizations from paying the motor vehicle sales and use tax on such purchases.

The definition for a "motor vehicle used for religious purposes" would be further amended to replace the requirement that the motor vehicle be used primarily to provide transportation to and from a church, religious service, or meeting, with the requirement that the motor vehicle be used primarily by a church or religious society.

Motor vehicles are defined in Subsection 152.001(3) of the Tax Code to include trailers such as a vans, flatbeds, tanks, dumpsters, dollies, jeeps, stingers auxiliary axles, or converter gear; and a house trailer. With no limitation on the type of trailer the bill could potentially include all of these items, as well as expand the exempt uses of motor vehicles by churches and religious societies. This could have a modest negative fiscal impact, but is not expected to be significant.

The bill would take effect September 1, 2017.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD