86R9143 BEF/AAF-F

By:  Taylor S.B. No. 1669

A BILL TO BE ENTITLED

AN ACT

relating to the permitting and taxation of certain boats and boat motors; imposing a fee.

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

SECTION 1.  Section 31.003(16), Parks and Wildlife Code, is amended to read as follows:

(16)  "Distributor" means a person who offers for sale, sells, or processes for distribution new vessels [~~boats~~] or outboard motors to dealers in this state.

SECTION 2.  Section 31.006(a), Parks and Wildlife Code, is amended to read as follows:

(a)  The department may authorize a dealer who holds a dealer's or manufacturer's number to act as the agent of the department under Subchapter B [~~of this chapter~~] and under Chapter 160, Tax Code, for the issuance of certificates of number and the collection of fees and taxes for vessels and outboard motors [~~boats~~] sold by that dealer.

SECTION 3.  Section 160.001(2), Tax Code, is amended to read as follows:

(2)  "Boat" means a vessel not more than 115 feet in length, measured from the tip of the bow in a straight line to the stern [~~has the meaning assigned by Section 31.003, Parks and Wildlife Code~~].

SECTION 4.  Subchapter B, Chapter 160, Tax Code, is amended by adding Sections 160.0246, 160.0247, and 160.026 to read as follows:

Sec. 160.0246.  EXEMPTION FOR CERTAIN BOATS AND MOTORS TEMPORARILY USED IN THIS STATE. (a) The taxes imposed by this chapter do not apply to the sale of a taxable boat or motor if:

(1)  the boat or motor is sold in this state for use in another state or nation and is removed from this state not more than 10 days after the date of purchase;

(2)  the boat or motor:

(A)  is sold in this state for use in another state or nation;

(B)  not later than the 10th day after the date the boat or motor is purchased, is docked at or placed in a boat repair facility registered with the comptroller for repairs or modifications;

(C)  is not used by a person while it is being repaired or modified, except as necessary to test the repairs or modifications; and

(D)  is removed from this state not more than 20 days after the date the repairs or modifications are finished; or

(3)  the boat or motor:

(A)  is sold in this state for use in another state or nation;

(B)  displays a permit described by Section 160.0247 at all times after the boat or motor is purchased until the boat or motor is removed from this state; and

(C)  is removed from this state not more than 90 days after the date of purchase.

(b)  The tax imposed by Section 160.022 does not apply to a taxable boat or motor used in this state or brought into this state for use if the boat or motor:

(1)  has a current certificate of number issued under any federal law or a federally approved numbering system of another state;

(2)  displays a permit described by Section 160.0247 at all times while the boat or motor is located in this state; and

(3)  is removed from this state not more than 90 days after the date the boat or motor is brought into this state.

(c)  The comptroller shall adopt rules and procedures to implement this section and Section 160.0247.

Sec. 160.0247.  TEMPORARY USE PERMIT. (a) The comptroller or an agent of the department may issue a temporary use permit to the owner of a taxable boat or motor that qualifies for an exemption from tax under Section 160.0246(a)(3) or (b).

(b)  The fee for a permit is $150.

(c)  A permit is valid for 90 days and may not be renewed.

(d)  The owner of a taxable boat or motor may obtain not more than two permits in a calendar year for the boat or motor. The second permit in a calendar year may not be issued before the 30th day after the date the first permit expires.

Sec. 160.026.  LIMITATION ON AMOUNT OF TAX. Notwithstanding any other law, the tax imposed under Section 160.021 on the sale of a taxable boat or motor may not exceed $18,750.

SECTION 5.  The change in law made by this Act does not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 6.  This Act takes effect September 1, 2019.