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H.B. No. 4032

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

12 (a) The department may authorize a dealer who holds a
13 dealer's or manufacturer's number to act as the agent of the
14 department under Subchapter B [~~of this chapter~~] and under Chapter
15 160, Tax Code, for the issuance of certificates of number and the
16 collection of fees and taxes for vessels and outboard motors
17 [~~boats~~] sold by that dealer.

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

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

24 SECTION 4. Subchapter B, Chapter 160, Tax Code, is amended

1 by adding Sections 160.0246, 160.0247, and 160.026 to read as
2 follows:

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

6 (1) the boat or motor is sold in this state for use in
7 another state or nation and is removed from this state not more than
8 10 days after the date of purchase;

9 (2) the boat or motor:

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

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

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

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

21 (3) the boat or motor:

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

24 (B) displays a permit described by Section
25 160.0247 at all times after the boat or motor is purchased until the
26 boat or motor is removed from this state; and

27 (C) is removed from this state not more than 90

1 days after the date of purchase.

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

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

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

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

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

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

18 (b) The fee for a permit is \$150.

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

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

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

27 SECTION 5. The change in law made by this Act does not

1 affect tax liability accruing before the effective date of this
2 Act. That liability continues in effect as if this Act had not been
3 enacted, and the former law is continued in effect for the
4 collection of taxes due and for civil and criminal enforcement of
5 the liability for those taxes.

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