

AN ACT

relating to the exemption from ad valorem taxation of leased motor vehicles that are not held primarily for the production of income by the lessee.

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

SECTION 1. The heading to Section 11.252, Tax Code, is amended to read as follows:

Sec. 11.252. MOTOR VEHICLES LEASED FOR [~~PERSONAL~~] USE OTHER THAN PRODUCTION OF INCOME.

SECTION 2. Sections 11.252(b), (d), and (e), Tax Code, are amended to read as follows:

(b) For purposes of this section, a motor vehicle is presumed to be used primarily for activities that do not involve the production of income if:

(1) 50 percent or more of the miles the motor vehicle is driven in a year are for non-income producing purposes;

(2) the motor vehicle is leased to this state or a political subdivision of this state; or

(3) the motor vehicle:
(A) is leased to an organization that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code; and

(B) would be exempt from taxation if the vehicle

1 were owned by the organization.

2 (d) In connection with the requirements and procedures
3 under Subsection (c), the comptroller by rule shall adopt a form to
4 be completed by the lessee of a motor vehicle for which the owner of
5 the vehicle may apply for an exemption under Subsection (a). The
6 form shall require a ~~the~~ lessee who is an individual to provide
7 the lessee's name, address, and driver's license or personal
8 identification certificate number. The form shall require a lessee
9 that is an entity described by Subsection (b) to provide the
10 lessee's name, address, and, if applicable, federal tax
11 identification number. The form shall require a lessee who is an
12 individual, or the authorized representative of a lessee that is an
13 entity described by Subsection (b), ~~and~~ to certify under oath
14 that the lessee does not hold the vehicle for the production of
15 income and that the vehicle is used primarily for activities that do
16 not involve the production of income. The comptroller shall
17 include on the form a notice of the penalties prescribed by Section
18 [37.10](#), Penal Code, for making a false statement on the form.

19 (e) The owner of a motor vehicle that is subject to a lease
20 shall maintain the form, an electronic image of the form, or a
21 certified copy of the form completed by the lessee of the vehicle
22 and make the form, electronic image, or certified copy available
23 for inspection and copying by the chief appraiser of the applicable
24 appraisal district at all reasonable times. If the owner does not
25 maintain a completed form, electronic image of the completed form,
26 or certified copy of the completed form relating to the vehicle, the
27 owner:

1 (1) must render the vehicle for taxation in the
2 applicable rendition statement or property report filed by the
3 owner under Chapter 22; and

4 (2) may not file an application for an exemption under
5 Subsection (a) for the vehicle.

6 SECTION 3. The changes in law made by this Act apply only to
7 ad valorem taxes imposed for a tax year beginning on or after the
8 effective date of this Act.

9 SECTION 4. This Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 58 passed the Senate on April 26, 2019, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 25, 2019, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 58 passed the House, with amendment, on May 22, 2019, by the following vote: Yeas 143, Nays 1, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor