

By: Zaffirini

S.B. No. 58

A BILL TO BE ENTITLED

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) and (d), 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;

(B) is used exclusively by the organization for

1 religious, educational, or charitable purposes; and

2 (C) would be exempt from taxation if the vehicle
3 were owned by the organization.

4 (d) In connection with the requirements and procedures
5 under Subsection (c), the comptroller by rule shall adopt a form to
6 be completed by the lessee of a motor vehicle for which the owner of
7 the vehicle may apply for an exemption under Subsection (a). The
8 form shall require a [the] lessee who is an individual to provide
9 the lessee's name, address, and driver's license or personal
10 identification certificate number. The form shall require a lessee
11 that is an entity described by Subsection (b) to provide the
12 lessee's name, address, and, if applicable, federal tax
13 identification number. The form shall require a lessee who is an
14 individual, or the authorized representative of a lessee that is an
15 entity described by Subsection (b), [and] to certify under oath
16 that the lessee does not hold the vehicle for the production of
17 income and that the vehicle is used primarily for activities that do
18 not involve the production of income. The comptroller shall
19 include on the form a notice of the penalties prescribed by Section
20 37.10, Penal Code, for making a false statement on the form.

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

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