

By: Hefner

H.B. No. 4871

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the electronic submission of dealer's motor vehicle
3 inventory tax statements and escrow payments.

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

5 SECTION 1. Sections 23.122(a), (b), and (f), Tax Code, are
6 amended to read as follows:

7 (a) In this section:

8 (1) "Aggregate tax rate" means the combined tax rates
9 of all relevant taxing units authorized by law to levy property
10 taxes against a dealer's motor vehicle inventory.

11 (2) "Chief appraiser" has the meaning given it in
12 Section 23.121 of this code.

13 (3) "Collector" has the meaning given it in Section
14 23.121 of this code.

15 (4) "Dealer's motor vehicle inventory" has the meaning
16 given it in Section 23.121 of this code.

17 (5) "Declaration" has the meaning given it in Section
18 23.121 of this code.

19 (5-a) "Electronic payment" means a payment made by
20 credit card, debit card, electronic check, electronic funds
21 transfer, wire transfer, or automated clearinghouse withdrawal.

22 (6) "Owner" has the meaning given it in Section 23.121
23 of this code.

24 (7) "Relevant taxing unit" means a taxing unit,

1 including the county, authorized by law to levy property taxes
2 against a dealer's motor vehicle inventory.

3 (8) "Sales price" has the meaning given it in Section
4 23.121 of this code.

5 (9) "Statement" means the Dealer's Motor Vehicle
6 Inventory Tax Statement filed on a form promulgated by the
7 comptroller as required by this section.

8 (10) "Subsequent sale" has the meaning given it in
9 Section 23.121 of this code.

10 (11) "Total annual sales" has the meaning given it in
11 Section 23.121 of this code.

12 (12) "Unit property tax factor" means a number equal
13 to one-twelfth of the prior year aggregate tax rate at the location
14 where a dealer's motor vehicle inventory is located on January 1 of
15 the current year.

16 (b) Except for a vehicle sold to a dealer, a vehicle
17 included in a fleet transaction, or a vehicle that is the subject of
18 a subsequent sale, an owner or a person who has agreed by contract
19 to pay the owner's current year property taxes levied against the
20 owner's motor vehicle inventory shall assign a unit property tax to
21 each motor vehicle sold from a dealer's motor vehicle inventory.
22 The unit property tax of each motor vehicle is determined by
23 multiplying the sales price of the motor vehicle by the unit
24 property tax factor. On or before the 10th day of each month the
25 owner shall, together with the statement filed by the owner as
26 required by this section, deposit with the collector a sum equal to
27 the total of unit property tax assigned to all motor vehicles sold

1 from the dealer's motor vehicle inventory in the prior month to
2 which a unit property tax was assigned. The money shall be
3 deposited by the collector in or otherwise credited by the
4 collector to the owner's escrow account for prepayment of property
5 taxes as provided by this section. An escrow account required by
6 this section is used to pay property taxes levied against the
7 dealer's motor vehicle inventory, and the owner shall fund the
8 escrow account as provided by this subsection. The collector shall
9 establish a procedure by which the owner may make the deposits
10 required by this section by electronic payment.

11 (f) On or before the 10th day of each month a dealer shall
12 file with the collector the statement covering the sale of each
13 motor vehicle sold by the dealer in the prior month. On or before
14 the 10th day of a month following a month in which a dealer does not
15 sell a motor vehicle, the dealer must file the statement with the
16 collector and indicate that no sales were made in the prior month.
17 A dealer shall file a copy of the statement with the chief appraiser
18 and retain documentation relating to the disposition of each motor
19 vehicle sold. A chief appraiser or collector may examine documents
20 held by a dealer as required by this subsection in the same manner,
21 and subject to the same provisions, as are set forth in Section
22 [23.121\(g\)](#). The collector shall establish a procedure by which a
23 dealer may file the statements required by this section by
24 electronic means.

25 SECTION 2. This Act takes effect September 1, 2023.