

BILL ANALYSIS

S.B. 2064
By: Perry
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current Texas law, when a motor vehicle is transferred from a decedent's estate to an heir, such as a spouse, child, parent, or sibling, it is subject to motor vehicle gift tax, even though the recipient is simply inheriting the vehicle. The bill sponsor has informed the committee that this creates an unnecessary financial burden on families overseeing estate matters after the loss of a loved one. S.B. 2064 seeks to reduce the financial burden on grieving families and simplify the estate settlement process by removing the motor vehicle gift tax on vehicles inherited from a decedent's estate.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 2064 amends the Tax Code to remove provisions that provide for the imposition of a motor vehicle gift tax on a person who receives a vehicle from a decedent's estate and to exempt the transfer of a motor vehicle from an estate to a distributee or the transfer of a motor vehicle under a rights of survivorship agreement as provided by the Certificate of Title Act from taxes on the sale, rental, and use of motor vehicles. The bill defines "estate" and "distributee" by reference to the definitions of those terms under the Estates Code. The bill applies only to the transfer of a motor vehicle that occurs on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2025.