

BILL ANALYSIS

Senate Research Center

S.B. 2064
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Finance
3/26/2025
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current Texas law, when a motor vehicle is transferred from a decedent's estate to an heir (spouse, children, parents, siblings, etc.), it is subject to motor vehicle gift tax, even though the recipient is simply inheriting the vehicle. This creates an unnecessary financial burden on families overseeing estate matters after the loss of a loved one.

In contrast, vehicles gifted between close family members, such as spouses, parents, children, and siblings, are already exempt from this tax. However, an inheritance from an estate is not treated the same way, despite the fact that these transfers often occur between the same close relatives.

S.B. 2064 removes the motor vehicle gift tax on vehicles inherited from a decedent's estate. This change corrects an inconsistency in the law by treating inherited vehicles the same as those gifted between family members.

This bill reduces financial burdens on grieving families, simplifies the estate settlement process, and ensures that Texas law treats inherited vehicles fairly in line with other family vehicle transfers.

As proposed, S.B. 2064 amends current law relating to the exemption of motor vehicles transferred from a decedent's estate.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 152.025(a), Tax Code, as follows:

(a) Deletes existing text providing that Section 152.025 (Tax on Gift of Motor Vehicle) applies if the person receiving the motor vehicle receives the vehicle from a decedent's estates. Makes nonsubstantive changes.

SECTION 2. Amends Section 152.062(b-2), Tax Code, as follows:

(b-2) Requires that a joint statement required by Subsection (b)(3) (relating to requiring a joint statement to describe the nature of transaction of a vehicle as a gift and the relationship between the principal parties) that relates to a gift from a person, rather than a person or estate, described by certain provisions be filed in person by the recipient of the gift or, as applicable, the person from whom the gift is received, rather than the person from whom the gift is received or a person authorized to act on behalf of the estate from which the gift is received.

SECTION 3. Amends Subchapter E, Chapter 152, Tax Code, by adding Section 152.094, as follows:

Sec. 152.094. MOTOR VEHICLE ACQUIRED BY A DISTRIBUTEE. (a) Defines "distribute" and "estate."

(b) Provides that the taxes imposed by this chapter do not apply to a motor vehicle acquired under Section 501.031, Transportation Code, or from an estate by a distributee.

SECTION 4. Provides that the change in law made by this Act does not affect tax liability accruing before the effective date of this Act. Provides that that liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 5. Effective date: September 1, 2025.