

BILL ANALYSIS

Senate Research Center
89R18020 SRA-F

C.S.S.B. 2064
By: Perry
Finance
4/2/2025
Committee Report (Substituted)

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.

(Original Author/Sponsor's Statement of Intent)

C.S.S.B. 2064 amends current law relating to an exemption from certain taxes imposed on the transfer of a motor vehicle to a person from a decedent or the 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 estate. 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 TRANSFERRED FROM DECEDENT. (a) Defines "distributee" and "estate."

(b) Provides that the taxes imposed by Chapter 152 (Taxes on Sale, Rental, and Use of Motor Vehicles) do not apply to the transfer of a motor vehicle from an estate to a distributee or under a rights of survivorship agreement described by Section 501.031 (Rights of Survivorship Agreement), Transportation Code.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2025.