

## **BILL ANALYSIS**

H.B. 2112  
By: Spitzer  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that under previous law, a person could buy a car from a neighbor and pay a vehicle sales tax on that amount as reported by the buyer when registering the vehicle. However, the parties further note that taxpayers are currently required to pay a standard presumptive value tax based on the greater of the purchase price or a specified percentage of the value in a recognized motor vehicle value guide. If the buyer disagrees with the calculated tax, the only recourse is to obtain a certified appraisal, a costly and time-consuming process that is not guaranteed to result in a lower valuation. As a result, taxpayers are forced to pay the standard presumptive value-based tax or pay an appraiser an amount that is often equal to or more than the original standard presumptive value-based tax. The parties assert that although this tax policy change was intended to fight individuals who did not disclose the true amount paid for a vehicle, honest taxpayers and low-income citizens are being burdened with unfair taxation as an unintended consequence. H.B. 2112 seeks to address this issue.

### **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**

H.B. 2112 amends the Tax Code to require a county tax assessor-collector to compute the motor vehicle sales and use tax on the valuation of a motor vehicle if the valuation is shown on a notarized affidavit stating the purchase price of the motor vehicle and containing both the seller's and buyer's signatures.

### **EFFECTIVE DATE**

September 1, 2015.