

**BILL ANALYSIS**

Senate Research Center  
77R8177 CBH-D

S.B. 1183  
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Intergovernmental Relations  
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**DIGEST AND PURPOSE**

Currently, car rental companies do not receive reimbursement for expenses of collecting payment of short-term motor vehicles taxes. However, current law allows a county that collects a hotel/motel tax to give a hotel that collects the tax one percent of the tax as a collection fee. In order to encourage early payment of taxes collected and equalize tax incentives provided to travel service providers, S.B. 1183, as proposed, requires municipalities that impose a short-term motor vehicle tax to give car rental companies one percent of the taxes collected under certain conditions.

**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 Chapter 334E, Local Government Code, by adding Section 334.1135, as follows:

Sec. 334.1135. REIMBURSEMENT FOR TAX COLLECTION EXPENSES.

(a) Requires a municipality, subject to Subsection (b), to allow a person who is required to collect and remit the tax imposed under this subchapter one percent of the amount collected and required to be remitted as reimbursement to the person for the costs of collecting the tax.

(b) Provides that a person required to collect and remit the tax imposed under this subchapter is not entitled to reimbursement under Subsection (a) unless the municipality receives the amount required to be collected by a certain date.

SECTION 2. Effective date: September 1, 2001.  
Makes application of this Act prospective.