

BILL ANALYSIS

Senate Research Center
80R11644 JPL-F

H.B. 1022
By: Hilderbran et al. (Williams)
Finance
5/15/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 809, 79th Legislature, Regular Session, 2005, clarified that rendition requirements passed in the previous session did not impose a requirement on individuals to render their personal automobiles that are used both for personal and business purposes. A number of appraisal districts continue to tax mixed-use vehicles because the Texas Constitution does not specifically exempt business personal property from taxation. A recent attorney general opinion (GA-0484) stated while a person does not have to render a personal automobile, the legislation did not establish that such property is exempt from taxation.

H.B. 1022 exempts from ad valorem taxation one personally-owned motor vehicle used both for personal and business purposes.

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 Subchapter B, Chapter 11, Tax Code, by adding Section 11.253, as follows:

Sec. 11.253. MOTOR VEHICLE USED FOR PRODUCTION OF INCOME AND FOR PERSONAL ACTIVITIES. (a) Entitles an individual, except as provided by Subsection (c), to an exemption from taxation of one motor vehicle owned by the individual that is used in the course of the individual's occupation or profession and is also used for personal activities of the owner that do not involve the production of income.

(b) Defines "motor vehicle."

(c) Prohibits a person who has been granted or applied for an exemption under this section from applying for another exemption under this section until after the application or exemption has been denied.

(d) Provides that this section does not apply to a motor vehicle used to transport passengers for hire.

SECTION 2. Amends Section 22.01(k), Tax Code, as follows:

(k) Provides that, notwithstanding Subsections (a) and (b), an individual who has been granted or has applied for an exemption from taxation under Section 11.253 for a motor vehicle the individual owns is not required to render the motor vehicle for taxation. Deletes existing text defining "passenger car" and "light truck." Makes conforming changes.

SECTION 3. (a) Provides that this Act applies beginning with the tax year that begins January 1, 2007.

(b) Authorizes a person claiming an exemption from ad valorem taxation in 2007 under Section 11.253, Tax Code, as added by this Act, for purposes of applying that section, to

apply for the exemption not later than April 1, 2008. Requires the chief appraiser of an appraisal district to correct the appraisal roll for the district to reflect any exemption granted by the chief appraiser under Section 11.253, Tax Code, as added by this Act, for the 2007 tax year as soon as practicable and requires the chief appraiser to promptly certify each exemption to the assessor for each taxing unit that imposes ad valorem taxes on a motor vehicle owned by the person. Requires the collector for the taxing unit to refund the amount of taxes paid on the exempt motor vehicle not later than 30 days after the date the exemption is certified to the assessor for the unit if a person who is granted an exemption for the 2007 tax year paid taxes on the person's exempt motor vehicle for 2007 before the date the person was granted the exemption.

SECTION 4. Effective date: upon approval by the voters of the constitutional amendment relating to exempting one motor vehicle owned by an individual and used in the course of the owner's occupation or profession and also for personal activities of the owner from ad valorem taxation.