

## BILL ANALYSIS

Senate Research Center  
80R4877 JPL-F

S.B. 736  
By: Williams  
Finance  
3/30/2007  
As Filed

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In the 79th Legislature, H.B. 809 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.

As proposed, S.B. 736 exempts from ad valorem taxation personally owned vehicles 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. PASSENGER CARS AND LIGHT TRUCKS USED FOR PRODUCTION OF INCOME AND FOR PERSONAL ACTIVITIES. (a) Entitles an individual to an exemption from ad valorem taxation of one or more passenger cars or light trucks owned and used by the individual in the course of the individual's occupation or profession that are also used for personal activities that do not involve the production of income.

(b) Defines "light truck" and "passenger car."

SECTION 2. (a) Makes application of this Act prospective to the beginning of the tax year that begins January 1, 2007.

(b) Authorizes a person entitled to an exemption under Section 11.253, Tax Code, as added by this Act, to the 2007 tax year, to apply for the exemption not later than April 1, 2008. Requires the chief appraiser to correct the appraisal roll to reflect an exemption granted for the 2007 tax year as soon as practicable and to promptly certify the exemption to the assessor for each taxing unit. Requires the collector to refund the amount of taxes paid on the exempt property not later than the 30th day after the date the exemption is certified if a person who receives an exemption under Section 11.253, Tax Code, for the 2007 tax year has paid taxes on the property for 2007 before receiving the exemption.

SECTION 3. Effective date: upon passage, contingent upon approval by the voters of the constitutional amendment relating to exempting one or more passenger cars or trucks 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.