

## **BILL ANALYSIS**

Senate Research Center  
85R1239 CJC-D

S.B. 711  
By: Taylor, Van  
Finance  
3/21/2017  
As Filed

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

Currently, heavy equipment dealers must pay property taxes on inventory held for sale or rental. These taxes must be paid for items including bulldozers, excavators, dump trucks, skid loaders, and farm tractors. Rather than be paid once a year, property taxes for heavy equipment inventory must be paid once a month. Dealers are required, by law, to pay these taxes on or before the 10th day of each month and file a statement of sales with the applicable county tax collector. Separate from paying property taxes, dealers must pay sales taxes on or before the 20th day of the month. Interested parties observe that aligning the property tax submission deadline with that for sales taxes would ease heavy equipment dealers' compliance with these requirements. As introduced, S.B. 711 changes the deadline for heavy equipment dealers' submission of property tax payments and sales statements from the 10th to the 20th day of each month.

As proposed, S.B. 711 amends current law relating to the date for prepayment of taxes on a dealer's heavy equipment inventory.

### **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 Sections 23.1242(b) and (f), Tax Code, as follows:

(b) Requires the owner to deposit a certain amount equal to certain totals relating to property tax assigned to items of heavy equipment, together with the statement required by this section (Prepayment of Taxes by Heavy Equipment Dealers), with the collector on or before the 20th, rather than 10th, day of each month.

(f) Requires the dealer, on or before the 20th, rather than 10th, day of each month to file with the collector the statement covering certain actions relating to each item of heavy equipment to which those actions occurred in the preceding month. Makes a conforming change.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2017.