

1-1 By: Zaffirini S.B. No. 58
1-2 (In the Senate - Filed November 12, 2018; February 1, 2019,
1-3 read first time and referred to Committee on Property Tax;
1-4 April 15, 2019, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 0; April 15, 2019,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	<u>Bettencourt</u>	X		
1-10	<u>Paxton</u>	X		
1-11	<u>Creighton</u>	X		
1-12	<u>Hancock</u>	X		
1-13	<u>Hinojosa</u>	X		

1-14 COMMITTEE SUBSTITUTE FOR S.B. No. 58 By: Paxton

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to the exemption from ad valorem taxation of leased motor
1-18 vehicles that are not held primarily for the production of income by
1-19 the lessee.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. The heading to Section 11.252, Tax Code, is
1-22 amended to read as follows:

1-23 Sec. 11.252. MOTOR VEHICLES LEASED FOR ~~[PERSONAL]~~ USE OTHER
1-24 THAN PRODUCTION OF INCOME.

1-25 SECTION 2. Sections 11.252(b) and (d), Tax Code, are
1-26 amended to read as follows:

1-27 (b) For purposes of this section, a motor vehicle is
1-28 presumed to be used primarily for activities that do not involve the
1-29 production of income if:

1-30 (1) 50 percent or more of the miles the motor vehicle
1-31 is driven in a year are for non-income producing purposes;

1-32 (2) the motor vehicle is leased to this state or a
1-33 political subdivision of this state; or

1-34 (3) the motor vehicle:

1-35 (A) is leased to an organization that is exempt
1-36 from federal income taxation under Section 501(a), Internal Revenue
1-37 Code of 1986, as an organization described by Section 501(c)(3) of
1-38 that code; and

1-39 (B) would be exempt from taxation if the vehicle
1-40 were owned by the organization.

1-41 (d) In connection with the requirements and procedures
1-42 under Subsection (c), the comptroller by rule shall adopt a form to
1-43 be completed by the lessee of a motor vehicle for which the owner of
1-44 the vehicle may apply for an exemption under Subsection (a). The
1-45 form shall require a [the] lessee who is an individual to provide
1-46 the lessee's name, address, and driver's license or personal
1-47 identification certificate number. The form shall require a lessee
1-48 that is an entity described by Subsection (b) to provide the
1-49 lessee's name, address, and, if applicable, federal tax
1-50 identification number. The form shall require a lessee who is an
1-51 individual, or the authorized representative of a lessee that is an
1-52 entity described by Subsection (b), ~~and~~ to certify under oath
1-53 that the lessee does not hold the vehicle for the production of
1-54 income and that the vehicle is used primarily for activities that do
1-55 not involve the production of income. The comptroller shall
1-56 include on the form a notice of the penalties prescribed by Section
1-57 37.10, Penal Code, for making a false statement on the form.

1-58 SECTION 3. The changes in law made by this Act apply only to
1-59 ad valorem taxes imposed for a tax year beginning on or after the
1-60 effective date of this Act.

2-1 SECTION 4. This Act takes effect September 1, 2019.

2-2 * * * * *