

BILL ANALYSIS

H.B. 1056
By: Bohac
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been suggested that the property tax exemption for leased motor vehicles not held primarily for the production of income by the lessee is inconsistently administered by appraisal districts. H.B. 1056 seeks to address this issue by clarifying certain exemption provisions for appraisers and ensuring equal tax treatment of vehicles leased by the state, political subdivisions, and certain nonprofit organizations.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1056 amends the Tax Code to exempt a motor vehicle that is subject to a lease from property taxation if the motor vehicle is leased to the state or a political subdivision of the state or if the motor vehicle is leased to an organization that is exempt from federal income taxation under the federal Internal Revenue Code of 1986 as a charitable organization and would be exempt from taxation if the vehicle were owned by the organization. The bill requires the form used to apply for the exemption to require such a lessee entity to provide the lessee's name, address, and, if applicable, federal tax identification number and to require the authorized representative of such a lessee entity to certify under oath that the lessee does not hold the vehicle for the production of income and that the vehicle is used primarily for activities that do not involve the production of income.

EFFECTIVE DATE

September 1, 2019.