

BILL ANALYSIS

Senate Research Center
76R813 KLA-D

H.B. 579
By: Krusee (Wentworth)
Natural Resources
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Engrossed

DIGEST

Currently, individuals who purchase boats are responsible for paying the sales tax on the boat or the boat motor. Some dealers, as a courtesy, will collect the tax and forward the funds to the comptroller of public accounts (comptroller). The boat owner can then apply to the Texas Parks and Wildlife Department (department) for the title. If for some reason, such as bankruptcy, the seller fails to remit the tax to the comptroller, the purchaser cannot obtain the title unless the purchaser pays the tax again. H.B. 579 would require the department to issue the title upon presentation of satisfactory proof of payment, as established by the comptroller.

PURPOSE

As proposed, H.B. 579 establishes provisions regarding the collection of taxes on sales of boats and boat motors.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the comptroller of public accounts in SECTION 2 (Section 160.041(d), Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 160.021(a), Tax Code, to provide that the tax on a retail sale of a taxable boat is an obligation of and shall be paid by the seller, if the purchaser pays the tax to the seller.

SECTION 2. Amends Section 160.041, Tax Code, to require the purchaser or the seller, if the purchaser paid the tax to the seller, to pay the tax to the Texas Parks and Wildlife Department (department), to an agent of the department, or to a tax assessor-collector on or before the due date. Requires the department, or certain individual to accept an application for a Texas certificate of number or certificate of title for a taxable boat or motor from the purchaser if the purchaser provides proof that the tax was paid to the seller, if a purchaser pays the imposed tax and the seller fails to remit the tax in the required time and manner. Requires the comptroller of public accounts to adopt rules establishing the method of proof required. Makes conforming changes.

SECTION 3. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 4. Emergency clause.