

BILL ANALYSIS

Senate Research Center
76R1230 JD-D

S.J.R. 21
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Finance
3/15/1999
As Filed

DIGEST

Currently, Texas law requires ad valorem taxes to be assessed on personal property. Taxing entities may apply ad valorem taxes to personally leased motor vehicles. Leasing accounts for nearly 10 percent of all new vehicle deliveries. S.J.R. 21 would provide an ad valorem tax exemption on personally leased vehicles.

PURPOSE

As proposed, S.J.R. 21 requires the submission to the voters of a constitutional amendment to provide an exemption for vehicles from ad valorem taxes.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 1(d) and (e), Article VIII, Texas Constitution, to authorize the legislature by general law to exempt from ad valorem taxation, and subject to Subsection (e) of this section, a leased motor vehicle that is not held primarily for the production of income by the lessee and that otherwise qualifies under general law for exemption. Authorizes the legislature by general law to provide limitations to the application of this subsection to the taxation of vehicles exempted under the authority of Subsection (d)(3) of this section. Deletes text regarding voters at an election providing taxation for all property exempt under law. Makes conforming and nonsubstantive changes.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held on November 2, 1999. Sets forth the required language for the ballot.