

BILL ANALYSIS

Senate Research Center
77R1525 CBH-D

S.B. 845
By: Fraser
Finance
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DIGEST AND PURPOSE

Currently, Texas law states that a Texas resident who purchases a vehicle outside the state and returns the vehicle to Texas to register it, must pay a 6.25 percent motor vehicle sales tax, in addition to the registration fee. As proposed, S.B. 845 would remove the tax burden for motor vehicles purchased outside the state by a Texas resident, and motor vehicles brought into the state by a new Texas resident when applicable to certain members of the military, both active and retired.

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 Section 152.022, Tax Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Provides that the tax imposed by this section does not apply to a motor vehicle purchased at retail sale outside this state and used on the public highways of this state by an active member of the United States armed forces residing in this state on military orders, or a person who retires as an active member of the United States armed forces and applies to register the car before the first anniversary of the person's date of retirement.

(c) Provides that the tax rate is 6 1/4 percent of the total consideration.

SECTION 2. Amends Section 152.023, Tax Code, by amending Subsections (b) and (c) and adding Subsection (d) as follows:

(b) Provides that the tax imposed by this section does not apply to a motor vehicle described by Subsection (a) that is brought into this state by an active member of the United States armed forces residing in this state on military orders, or a person who retires as an active member of the United States armed forces and applies to register the car before the first anniversary of the person's date of retirement.

Reletters existing Subsection (b) as (c) and existing Subsection (c) as (d).

SECTION 3. Effective date: upon passage or September 1, 2001.
Makes application of this Act prospective.