

SUBJECT:	Revising reporting requirements for inventory taxes
COMMITTEE:	Ways and Means —favorable without amendment
VOTE:	9 ayes — Oliveira, Otto, Bohac, Hilderbran, C. Howard, P. King, Paxton, Pena, Taylor 0 nays 2 absent — Hartnett, Villarreal
WITNESSES:	For — Jim Short, Harris County; (<i>Registered, but did not testify</i> : Rovin Garret; Elisa Hand, Harris County; Jim Robinson, Texas Association of Appraisal Districts) Against — None
BACKGROUND:	Tax Code, ch. 23 outlines provisions for appraisal methods and procedures for taxable property, including: <ul style="list-style-type: none">• motor vehicle dealer inventory, under sec. 23.121;• water vessel and outboard motor dealer inventory, under sec. 23.124;• heavy equipment (equipment over 3,000 pounds) dealer inventory under, sec. 23.1241; and,• retail manufactured housing inventory, under sec. 23.127.
DIGEST:	HB 2071 would revise Tax Code, ch. 23 to require that dealers of motor vehicles, vessel and outboard motors, and heavy equipment, as well as retailers of manufactured housing, submit each month their respective inventory tax statement to the county tax assessor-collector where the inventory was located, regardless of whether an item was sold. The tax statement also would include a description of each item sold. If no sales were made in the prior month, dealers would submit the tax statement to the county tax assessor-collector on or before the 10th day of the month following a month when no vehicles were sold indicating that no sales were made in the prior month.

The bill also would require timely filing of an inventory tax statement.

The bill would take effect September 1, 2009.

**SUPPORTERS
SAY:**

HB 2071 would codify the existing practice by the comptroller and county tax assessor-collectors by requiring dealers of motor vehicles, heavy equipment, and water vessels and outboard motors and manufactured housing retailers to submit monthly inventory tax statements no later than the 10th day of the month following the reporting month, regardless of whether they had a sale. This practice is based on the comptroller's and county tax assessor-collector's interpretation of the law, which was questioned by a recent court ruling. It simply would grant explicit statutory authority to continue current practice.

The bill would provide needed clarification in the Tax Code, allowing for successful and consistent reporting and enforcement in this area to continue.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The companion bill, SB 2149 by Patrick, is scheduled for public hearing in the Senate Finance Committee on April 23.