

- SUBJECT:** Exempting certain leased vehicles from the property tax
- COMMITTEE:** Ways and Means — committee substitute recommended
- VOTE:** 10 ayes — D. Bonnen, Bohac, Darby, E. Johnson, Murphy, Murr, Raymond, Shine, Springer, Stephenson
- 0 nays
- 1 absent — Y. Davis
- WITNESSES:** For — Heather Hurlbert, City of San Marcos; Kara Jones, Enterprise Fleet Management
- Against — (*Registered, but did not testify:* Adam Cahn, Cahnman's Musings; Joseph Green, Travis County Commissioners Court)
- BACKGROUND:** Tax Code, sec. 11.252 exempts certain leased vehicles from property taxes and requires the comptroller to create a form by which an owner of a vehicle may apply for the exemption.
- Sec. 11.11 exempts property owned by the state or a political subdivision of the state from property taxes if the property is used for public purposes. Sec. 11.18 exempts certain property owned by charitable organizations from property taxes.
- DIGEST:** CSHB 2714 would exempt leased vehicles from the property tax if the vehicle was leased to the state or a political subdivision of the state or to a 501(c)(3) nonprofit that used the vehicle exclusively for religious, education, or charitable purposes and would be exempt from taxation if the vehicle were owned by the organization.
- The comptroller would be required to update the application form under Tax Code, sec. 11.252 to adopt these changes.
- The bill would take effect September 1, 2017, and would apply only to

property taxes imposed in a tax year beginning on or after that date.

NOTES:

According to the Legislative Budget Board's fiscal note, CSHB 2714 would cause an indeterminate increase in costs to the Foundation School Fund.