

BILL ANALYSIS

Senate Research Center
78R5074 JD-D

H.B. 1444
By: Krusee (Brimer)
Finance
5/22/2003
Engrossed

DIGEST AND PURPOSE

During the 77th Legislative Session, S.B. 248, which eliminated ad valorem taxes for vehicles leased primarily for personal use, passed the legislature. Prior to that legislation, under the Texas Tax Code, all leased vehicles were subject to those taxes. That law was originally intended to apply to a business leasing fleets of vehicles. Many leases today are for individuals interested in driving a vehicle for a lower price. However, when S.B. 248 passed, there was a provision included which sunsets the law if not continued by the current legislature.

H.B. 1444 repeals Section 11.252 (g) of the Tax Code which sunsets the current exemption of ad valorem taxes on certain leased vehicles and repeals a municipality's option to be exempted from Section 11.252, Tax Code.

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. Repealer: 11.252(f), Tax Code (Motor Vehicles Leased for Personal Use).

SECTION 2. Repealer: 11.252(g), Tax Code (Motor Vehicles Leased for Personal Use).

SECTION 3. (a) Effective date: upon passage or September 1, 2003, except as provided by Subsection (b).

(b) Provides that Section 1 of this Act takes effect January 1, 2004.