

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 724  
By: Perry  
Finance  
4/21/2015  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Private school bus service companies that comply with Section 34.008, Education Code, are authorized to provide services to transport students to and from school. These services are cost effective and are used across the state. For more than 20 years, these private school bus companies have been exempt by statute from paying state motor fuel tax and registration fees. The exemption from registration also provides for an exemption from motor vehicle sales and use taxes. These exemptions prevent additional costs from being passed on to Texas school districts. However, an interpretation by the Office of the Comptroller of Public Accounts of the State of Texas (comptroller's office) in 2012 reversed the longtime practice by imposing motor vehicle sales tax on school buses owned by private companies that are contracted by public schools to provide these transportation services. This interpretation will likely cause the motor vehicle sales tax to be passed on to school districts that use these private services.

C.S.S.B. 724 amends current law relating to the motor vehicle sales tax applicable to motor vehicles used by transportation companies for certain purposes.

### **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 152.082, Tax Code, as follows:

Sec. 152.082. SALE OF MOTOR VEHICLE TO OR USE OF MOTOR VEHICLE BY PUBLIC AGENCY. Provides that the taxes imposed by this chapter do not apply to the sale or use of a motor vehicle, rather than do not apply to the sale of a motor vehicle to or use of a motor vehicle by a public agency, if the motor vehicle is operated with an exempt license plate issued under Section 502.451 (Exempt Vehicles), Transportation Code, and is for use by:

- (1) a public agency; or
- (2) a commercial transportation company to provide transportation services under a contract with:
  - (A) a board of county school trustees or school district board of trustees under Section 34.008 (Contract with Transit Authority, Commercial Transportation Company, or Juvenile Board), Education Code; or
  - (B) the governing body of an open-enrollment charter school.

SECTION 2. Effective date: upon passage or September 1, 2015.