

The amount of motor vehicle gross rental receipts tax your customer must pay is a percentage of the gross rental receipts for renting the vehicle. You must collect the appropriate amount of tax when your customer pays you. The percentage you must charge for tax depends on the length of your rental contract.

The following are Texas motor vehicle rental tax rates:

- 10 percent for rental contracts of 1-30 days (short-term rental).
- 6.25 percent for rental contracts of 31-180 days (long-term rental).

[Tax exemptions](#) may apply.

## Local Tax

Texas cities and counties can also [impose a local tax](#) on certain motor vehicle short-term rentals. Local taxes on short-term rentals are administered by your city or county, and you should contact them directly for more information.

Motor vehicle rental companies that provide short-term rental of self-propelled motor vehicles (including passenger cars, vans, sport utility and light trucks) and are located within the boundaries of a local government jurisdiction that has imposed a local tax on short-term rentals must collect this tax from their customers. The tax is not imposed on trailers or trucks having a manufacturer's rating of more than one-half ton.