

By: Farias

H.B. No. 350

A BILL TO BE ENTITLED

AN ACT

relating to an exemption from the motor vehicle sales and use tax for certain motor vehicles purchased or used by veterans with disabilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter E, Chapter 152, Tax Code, is amended by adding Section 152.094 to read as follows:

Sec. 152.094. MOTOR VEHICLES PURCHASED OR USED BY CERTAIN VETERANS. (a) The taxes imposed by this chapter do not apply to the sale to or use by a veteran of the United States armed forces of a motor vehicle if the veteran:

(1) will use the vehicle only for noncommercial purposes; and

(2) either:

(A) has a service-connected disability, as defined by 38 U.S.C. Section 101(16), rated at least 50 percent by the United States Department of Veterans Affairs; or

(B) at the time the veteran applies for registration of the vehicle with the appropriate county tax assessor-collector, intends to:

(i) transfer to the vehicle a specialty license plate for veterans with disabilities, or set of those plates, issued to the veteran under Section 504.202, Transportation Code; or

1 (ii) place on the vehicle a specialty
2 license plate for veterans with disabilities, or set of those
3 plates, that will be issued to the veteran under Section 504.202,
4 Transportation Code.

5 (b) The comptroller shall adopt rules to ensure that a motor
6 vehicle exempted from taxation by this section qualifies for the
7 exemption. The comptroller may require a person seeking an
8 exemption under this section to present information establishing
9 the qualification for the exemption.

10 (c) The seller of a motor vehicle may not collect the tax
11 from the purchaser of the motor vehicle if the purchaser:

12 (1) signs at the time of the purchase an exemption
13 certificate that:

14 (A) is on a form designated by the comptroller;
15 and

16 (B) contains all of the information the
17 comptroller considers reasonable to establish at the time of sale
18 the qualification for the exemption under this section; and

19 (2) presents any other documentation or information
20 the comptroller requires by rule.

21 (d) The seller of a motor vehicle may rely on a properly
22 executed and signed exemption certificate under Subsection (c) and
23 does not have a duty to investigate the propriety of an exemption
24 certificate that is valid on the certificate's face. A seller who
25 relies on an exemption certificate as provided by this subsection
26 is not liable for the payment of motor vehicle sales taxes that
27 would otherwise be due as a result of a motor vehicle sale.

1 (e) If the comptroller determines that the sale or use of a
2 motor vehicle granted an exemption under this section did not
3 qualify for the exemption, the comptroller shall assess the tax
4 against the purchaser or owner of the motor vehicle in the amount
5 that would have been due had the exemption not been granted.

6 SECTION 2. As soon as possible after the effective date of
7 this Act, the comptroller of public accounts shall:

8 (1) adopt the rules required by Section 152.094(b),
9 Tax Code, as added by this Act; and

10 (2) designate the form required by Section
11 152.094(c)(1)(A), Tax Code, as added by this Act.

12 SECTION 3. (a) The change in law made by this Act:

13 (1) applies only to the imposition of motor vehicle
14 sales tax imposed under Chapter 152, Tax Code, on the sale of a
15 motor vehicle that occurs on or after September 1, 2015, and the
16 imposition of motor vehicle use tax under Chapter 152, Tax Code, on
17 a motor vehicle that is registered in this state on or after
18 September 1, 2015; and

19 (2) does not affect tax liability accruing before
20 September 1, 2015.

21 (b) Tax liability accruing before September 1, 2015,
22 continues in effect as if this Act had not been enacted, and the
23 former law is continued in effect for the collection of taxes due
24 and for civil and criminal enforcement of the liability for those
25 taxes.

26 SECTION 4. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2015.