

1 AN ACT

2 relating to imposition of the motor vehicle sales tax on motor
3 vehicles transferred as the result of a gift.

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

5 SECTION 1. Section 152.001(1), Tax Code, is amended to read
6 as follows:

7 (1) "Sale" includes:

8 (A) an installment and credit sale;

9 (B) an exchange of property for property or
10 money;

11 (C) an exchange in which property is transferred
12 but the seller retains title as security for payment of the purchase
13 price; ~~and~~

14 (D) a transaction in which a motor vehicle is
15 transferred to another person without payment of consideration and
16 that does not qualify as a gift under Section 152.025; and

17 (E) any other closed transaction that
18 constitutes a sale.

19 SECTION 2. Section 152.025(a), Tax Code, is amended to read
20 as follows:

21 (a) A tax is imposed on the recipient of a gift of a motor
22 vehicle. This section applies only if the person receiving the
23 motor vehicle:

24 (1) receives the vehicle from:

1 (A) the person's:

2 (i) spouse;

3 (ii) parent or stepparent;

4 (iii) grandparent or grandchild;

5 (iv) child or stepchild;

6 (v) sibling; or

7 (vi) guardian; or

8 (B) a decedent's estate; or

9 (2) is exempt from federal income taxation under
10 Section 501(a), Internal Revenue Code of 1986, by being listed as an
11 exempt organization under Section 501(c)(3) of that code, and the
12 vehicle will be used for the purposes of the organization.

13 SECTION 3. Section 152.062, Tax Code, is amended by
14 amending Subsection (b) and adding Subsection (b-1) to read as
15 follows:

16 (b) The statement must be in the following form:

17 (1) if a motor vehicle is sold, the seller and
18 purchaser shall make a joint statement of the then value in dollars
19 of the total consideration for the vehicle; ~~or~~

20 (2) if the ownership of a motor vehicle is transferred
21 as the result of an ~~a gift or~~ even exchange, the principal parties
22 shall make a joint statement describing the nature of the
23 transaction; or

24 (3) if the ownership of a motor vehicle is transferred
25 as the result of a gift, the principal parties shall make a joint
26 statement describing the nature of the transaction and the
27 relationship between the principal parties.

1 (b-1) A joint statement required by Subsection (b)(3) must
2 be notarized.

3 SECTION 4. This Act applies only to a joint statement
4 relating to the transfer of a motor vehicle as a result of a gift
5 that is filed with a tax assessor-collector of a county on or after
6 the effective date of this Act. A joint statement that is filed
7 before that date is governed by the law in effect on the date the
8 statement is filed, and that law is continued in effect for that
9 purpose.

10 SECTION 5. The change in law made by this Act does not
11 affect tax liability accruing before the effective date of this
12 Act. That liability continues in effect as if this Act had not been
13 enacted, and the former law is continued in effect for the
14 collection of taxes due and for civil and criminal enforcement of
15 the liability for those taxes.

16 SECTION 6. This Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 2654 was passed by the House on May 12, 2009, by the following vote: Yeas 137, Nays 12, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2654 was passed by the Senate on May 25, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor