

BILL SUMMARY
1st Session of the 56th Legislature

Bill No.:	HB 2433
Version:	CS
Request Number:	8086
Author:	Reps. Osborn(L.) and Wallace
Date:	5/24/2017
Impact:	FY-18 est. - \$123,383,000

Research Analysis

The committee substitute for HB2433 modifies the sales tax exemption for motor vehicles. Currently, sales of motor vehicles or any optional equipment or accessories attached to a motor vehicle are exempt from state and local sales tax and subject to an in lieu motor vehicle excise tax. The measure keeps the sales tax exemption for motor vehicles, but reduces it from a full exemption to all but 1.25 percent of the gross receipts for such sales. As a result, motor vehicle sales will now be subject to both motor vehicle excise tax equal to 3.25 percent and state sales tax equal to 1.25 percent.

Prepared By: Quyen Do

Fiscal Analysis

CS for HB 2433 amends the sales tax exemption for motor vehicles to provide that a portion of the state sales tax levy (1.25%) will apply to sales of motor vehicles. Tax Commission personnel provide the estimated FY-18 fiscal impact to be \$123,383,000.

Prepared By: Andrea Kearney

Other Considerations

None