

Sec. 23.122. PREPAYMENT OF TAXES BY CERTAIN TAXPAYERS. (a) In this section:

(1) "Aggregate tax rate" means the combined tax rates of all relevant taxing units authorized by law to levy property taxes against a dealer's motor vehicle inventory.

(2) "Chief appraiser" has the meaning given it in Section 23.121 of this code.

(3) "Collector" has the meaning given it in Section 23.121 of this code.

(4) "Dealer's motor vehicle inventory" has the meaning given it in Section 23.121 of this code.

(5) "Declaration" has the meaning given it in Section 23.121 of this code.

(6) "Owner" has the meaning given it in Section 23.121 of this code.

(7) "Relevant taxing unit" means a taxing unit, including the county, authorized by law to levy property taxes against a dealer's motor vehicle inventory.

(8) "Sales price" has the meaning given it in Section 23.121 of this code.

(9) "Statement" means the Dealer's Motor Vehicle Inventory Tax Statement filed on a form promulgated by the comptroller as required by this section.

(10) "Subsequent sale" has the meaning given it in Section 23.121 of this code.

(11) "Total annual sales" has the meaning given it in Section 23.121 of this code.

(12) "Unit property tax factor" means a number equal to one-twelfth of the prior year aggregate tax rate at the location where a dealer's motor vehicle inventory is located on January 1 of the current year.

(b) Except for a vehicle sold to a dealer, a vehicle included in a fleet transaction, or a vehicle that is the subject of a subsequent sale, an owner or a person who has agreed by contract to pay the owner's current year property taxes levied against the owner's motor vehicle inventory shall assign a unit property tax to each motor vehicle sold from a dealer's motor vehicle inventory. The unit property tax of each motor vehicle is determined by multiplying the sales price of the motor vehicle by the unit property tax factor. On or before the 10th day of each month the owner shall, together with the statement filed by the owner as required by this

section, deposit with the collector a sum equal to the total of unit property tax assigned to all motor vehicles sold from the dealer's motor vehicle inventory in the prior month to which a unit property tax was assigned. The money shall be deposited by the collector in or otherwise credited by the collector to the owner's escrow account for prepayment of property taxes as provided by this section. An escrow account required by this section is used to pay property taxes levied against the dealer's motor vehicle inventory, and the owner shall fund the escrow account as provided by this subsection.

(c) The collector shall maintain the escrow account for each owner in the county depository. The collector is not required to maintain a separate account in the depository for each escrow account created as provided by this section but shall maintain separate records for each owner. The collector shall retain any interest generated by the escrow account to defray the cost of administration of the prepayment procedure established by this section. Interest generated by an escrow account created as provided by this section is the sole property of the collector, and that interest may be used by no entity other than the collector. Interest generated by an escrow account may not be used to reduce or otherwise affect the annual appropriation to the collector that would otherwise be made.

(d) The owner may not withdraw funds in an escrow account created pursuant to this section.

(e) The comptroller shall promulgate a form entitled a Dealer's Motor Vehicle Inventory Tax Statement. Each month, a dealer shall complete the form regardless of whether a motor vehicle is sold. A dealer may use no other form for that purpose. The statement may include the information the comptroller deems appropriate but shall include at least the following:

- (1) a description of each motor vehicle sold;
- (2) the sales price of the motor vehicle;
- (3) the unit property tax of the motor vehicle if any; and
- (4) the reason no unit property tax is assigned if no unit property tax is assigned.

(f) On or before the 10th day of each month a dealer shall file with the collector the statement covering the sale of each motor vehicle sold by the dealer in the prior month. On or before the 10th day of a month following a month in which a dealer does not sell a motor vehicle, the dealer must file the statement with the collector and indicate that no sales were made in the prior month. A dealer shall file a copy of the statement with the chief appraiser and retain documentation relating to the

penalty under this subsection is in addition to any other penalty provided by law if the owner's taxes are delinquent.

(p) Fines collected pursuant to the authority of this section shall be deposited in the county depository to the credit of the general fund. Penalties collected pursuant to the authority of this section are the sole property of the collector, may be used by no entity other than the collector, and may not be used to reduce or otherwise affect the annual appropriation to the collector that would otherwise be made.

Added by Acts 1993, 73rd Leg., ch. 672, Sec. 4, eff. Jan. 1, 1994.

Renumbered from Tax Code Sec. 23.12B by Acts 1995, 74th Leg., ch. 76, Sec. 17.01(47), eff. Sept. 1, 1995. Renumbered from Tax Code Sec. 23.12B and amended by Acts 1995, 74th Leg., ch. 945, Sec. 3, eff. Jan. 1, 1996; Amended by Acts 1997, 75th Leg., ch. 321, Sec. 4 to 7, eff. May 26, 1997. Amended by:

Acts 2009, 81st Leg., R.S., Ch. 116 (H.B. 2071), Sec. 2, eff. September 1, 2009.



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John Cornyn

Categories

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Summary

Motor vehicle inventory tax escrow accounts, interest is sole property of assessor-collector; may be spent on prospective salary supplements if legitimate cost of administration|Motor vehicle inventory tax escrow accounts, county auditor must audit|Inventory tax escrow accounts, interest on is sole property of tax assessor-collector; must be audited by county auditor

Opinion File

[jc0135.pdf \(/sites/default/files/opinion-files/opinion/1999/jc0135.pdf\)](/sites/default/files/opinion-files/opinion/1999/jc0135.pdf)

Related Requests

[RQ-0079-JC \(/requests/john-cornyn/rq-0079-jc\)](#)
June 24, 1999

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[RQ0079JC.pdf \(/sites/default/files/request-files/request/1999/RQ0079JC.pdf\)](#)