

A. G. FILE NO. 0-3582



OFFICE OF THE ATTORNEY GENERAL OF TEXAS  
AUSTIN

GERALD C. MANN  
ATTORNEY GENERAL

Honorable George H. Sheppard  
Comptroller of Public Accounts  
Austin, Texas

Dear Sir:

Opinion No. 0-3583  
Re: Automobile sales tax levied  
by Article 6 of House Bill  
No. 8, 47th Legislature.

To your letter of May 21, 1941, you attached a letter addressed to you from W. R. Devins, Organization Manager for Chevrolet Motor Division of Houston, dated May 20, 1941, containing this statement of facts:

"We would like to have a ruling from you in regard to payment of the new 1% tax on automobile sales. We are a division of the General Motors Corporation and we are a branch office of the manufacturer of Chevrolet motor cars. We operate approximately 14 cars at this location for purposes of contacting our dealers and we would like, if it is necessary, to be able to pay the tax on these units. We have not, however, any sales price established and we would prefer not to indicate a cost on these cars. There is no such thing as an established retail price in the State of Texas as prices vary all over the state.

"We are at a loss therefore to know whether or not we are to pay the tax since we have not purchased the cars-- we made them-- and if we are supposed to pay the tax, on what figure should we base the tax.

"Please understand that no sale has taken place, that the cars are manufactured by Chevrolet Motor Division and operated for approximately thirty days by employees of Chevrolet Motor Division as company cars."

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In Section 1a of Article 6, House Bill No. 8, Forty-seventh Legislature, a tax of one per cent of the consideration paid or to be paid is levied upon retail sales of motor vehicles sold in this State, and in Section 2 of said Article 6 there is levied a use tax upon every motor vehicle purchased at retail sale outside of this State and brought into this State for use upon the highways by a resident of this State or by firms or corporations domiciled or doing business in this State in an amount equal to one per cent of the total consideration paid or to be paid for said vehicle at said retail sale.

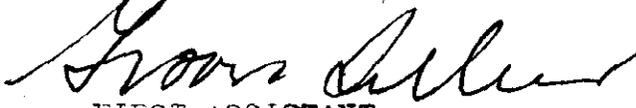
You request our opinion as to whether the cars mentioned in Mr. Devine's letter may be registered for use by Chevrolet Motor Division as company cars without the payment of any tax under said Article 6.

If the facts thus submitted to you are correct then no tax is due and these vehicles would be entitled to be registered without a showing that any such tax has been paid, since said Article 6 levies no tax except in the event of a sale. However, if by chance the corporation of which Chevrolet Motor Division is a division purchased these cars from some other person, company or corporation a tax of one per cent of the total consideration paid would be due and the cars would not be entitled to registration without its payment.

Yours very truly

APPROVED MAY 28, 1941

ATTORNEY GENERAL OF TEXAS

  
FIRST ASSISTANT  
ATTORNEY GENERAL

By



Glenn E. Lewis  
Assistant

GRL:LM

