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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/21/2011	.	
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The Committee on Community Affairs (Wise) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Heavy equipment rental; tangible personal property tax recovery fee.-

(1) As used in this section, the term:

(a) "Heavy equipment" means industrial or construction equipment, including, but not limited to, equipment described in the North American Industry Classification System (NAICS) Code 532412 as published in 2007 by the Office of Management and Budget within the Executive Office of the President of the



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13 United States.

14 (b) "Lessee" means the person who rents or leases the heavy
15 equipment.

16 (c) "Short-term rental agreement" means a lease or rental
17 agreement having a term of less than 365 days or an at-will
18 contract that does not specify a term. However, the term "short-
19 term rental agreement" does not include any extension or renewal
20 of a lease or rental agreement having an original term of 365
21 days or more.

22 (2) For the purpose of recovering the tangible personal
23 property tax imposed on heavy equipment, a person engaging in
24 the business of leasing or renting heavy equipment may collect a
25 recovery fee in an amount equal to 2 percent of the total rental
26 transaction fee generated in each county of operation. The
27 recovery fee may be collected and retained after payment of the
28 personal property tax assessed for the previous year only if:

29 (a) The heavy equipment is subject to a short-term rental
30 agreement that discloses the amount and purpose for the
31 collection of the recovery fee; and

32 (b) The person engaging in the business of renting or
33 leasing heavy equipment may not seek additional recoupment of
34 the recovery fee for the current year if the actual recovery fee
35 collected in the current year exceeds the tangible personal
36 property tax paid in the prior year.

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38 If, during the current year, the recovery fee collected by the
39 person engaging in the business of renting or leasing heavy
40 equipment exceeds the tax paid in the prior year, the excess
41 recovery fee amount collected shall be applied to reduce the



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42 following year's recovery fee recoupment by that amount.

43 Section 2. This act shall take effect July 1, 2011.

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45 ===== T I T L E A M E N D M E N T =====

46 And the title is amended as follows:

47 Delete everything before the enacting clause

48 and insert:

49 A bill to be entitled

50 An act relating to tangible personal property

51 taxation; providing definitions; authorizing

52 collection of a tangible personal property tax

53 recovery fee by a person engaging in the business of

54 renting or leasing heavy equipment; providing

55 requirements for collection, retention, and

56 reimbursement of the recovery fee; providing an

57 effective date.