

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1173

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**Version:** As introduced

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**Subject:** Tax exemptions for personal rapid transit

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### Overview

This bill exempts personal rapid transit from property, sales, and income taxes if it is operated without government subsidies.

#### Section

- 1** **Property tax exemption.** Exempts property used in operation and support of personal rapid transit that provides regular public transit service from property taxes if it is independent of government subsidies. Effective for taxes payable in 2006 and after.
- 2** **Income tax exemption.** Exempts corporations that operate personal rapid transit without government subsidies from corporate income tax, except for income from property not used in such a system. Effective for taxable years 2005 and after.
- 3** **Personal rapid transit defined.** Defines personal rapid transit as a system of small, computer-controlled vehicles carrying 1-3 passengers on elevated guideways on demand, nonstop.
- 4** **Sales tax exemption.** Exempts machinery, equipment, and supplies bought or leased in the provision of personal rapid transit providing public transit service without government subsidies from sales tax. Effective for purchases made on and after June 30, 2005.
- 5** **Sales tax exemption.** Adds materials, equipment, and supplies for personal rapid transit to the construction exemptions from the sales tax. Effective June 30, 2005.