

BILL ANALYSIS

H.B. 2318
By: Ashby
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties assert that recent legislation had the inadvertent effect of eliminating the motor fuel tax credit associated with diesel powered auxiliary equipment while retaining the rebate for gasoline powered units, even though a motor fuel tax credit or refund has been historically allowed on all diesel fuel consumed in the operation of an auxiliary power unit or power take-off equipment. H.B. 2318 seeks to reinstitute this rebate for diesel fuel used by auxiliary power units or power take-off equipment.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2318 amends the Tax Code to authorize a motor fuel tax license holder to take a credit on a return for the period in which a purchase of diesel fuel occurred and to authorize a person who does not hold a license to file a refund claim with the comptroller of public accounts, if the license holder or person paid tax on diesel fuel and the diesel fuel is used in Texas by auxiliary power units or power take-off equipment on any motor vehicle. The bill authorizes the comptroller, if the quantity of that diesel fuel can be accurately measured while the motor vehicle is stationary by any metering or other measuring device or method designed to measure the fuel separately from fuel used to propel the motor vehicle, to approve and adopt the use of the device as a basis for determining the quantity of diesel fuel consumed in those operations for a tax credit or tax refund. The bill authorizes the license holder to take the credit and the person who does not hold a license to claim the refund on a percentage of the diesel fuel consumed by each motor vehicle equipped with an auxiliary power unit or power take-off equipment if there is no separate metering device or other approved measuring method.

H.B. 2318 requires the comptroller to determine the percentage of the credit or refund. The bill establishes that the climate-control air conditioning or heating system of a motor vehicle that has a primary purpose of providing for the convenience or comfort of the operator or passengers is not a power take-off system and prohibits a credit or refund from being allowed for the tax paid on any portion of the diesel fuel that is used for that purpose. The bill prohibits a credit or refund from being allowed for the diesel fuel tax paid on that portion of the diesel fuel that is used for idling.

EFFECTIVE DATE

September 1, 2015.