

BILL ANALYSIS

H.B. 3954
By: Burrows
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised regarding the process for documenting certain bulk movements of gasoline and diesel fuel for purposes of motor fuel tax liability, the exemption status of fuel exported to foreign destinations, and the use of certain motor fuel storage facilities. It has been suggested that confusion regarding these matters and how certain activities and entities are defined in law may lead to unnecessary motor fuel tax payments, audit deficiency findings by the comptroller of public accounts, and time-consuming motor fuel tax refund requests by taxpayers. H.B. 3954 seeks to avoid these outcomes by providing for an exemption for certain gasoline and diesel fuel sold into a marine vessel in Texas and clarifying the meaning of certain related terms.

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. 3954 amends the Tax Code to impose a tax on gasoline or diesel fuel that is otherwise exempt from motor fuel taxation on the basis of being exported to a foreign country if the gasoline or diesel fuel is sold into a marine vessel in Texas to a person who does not hold the requisite license for a supplier, permissive supplier, distributor, importer, or exporter, unless the exporter of record holds such a license. The bill makes the person that sold the gasoline or diesel fuel liable for the tax and requires that person to collect and remit the tax. The bill clarifies that the current tax imposed on gasoline and diesel fuel that is otherwise exempt from motor fuel taxation on the basis of being exported to another state or a foreign country if the gasoline or diesel fuel is sold in Texas to a person who does not hold such a license is imposed on such gasoline or diesel fuel sold into a truck or railcar in Texas to such a person. The bill makes shipping documents indicating the foreign destination evidence that the gasoline or diesel tax, as applicable, does not apply to such fuels actually exported to a foreign country.

H.B. 3954 defines "marine vessel" and "motor fuel storage facility" and redefines "bulk transfer," "bulk transfer/terminal system," and "supplier" for general provisions related to motor fuel taxes.

EFFECTIVE DATE

September 1, 2019.