

BILL ANALYSIS

H.B. 916
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that rural transit districts provide the primary public transportation for many people living in rural communities. Concerns have been raised that the proper funding of these districts is compromised because certain fuels used by the districts are subject to state motor fuel taxes. H.B. 916 seeks to support the operation and services these districts provide by exempting them from those motor fuel taxes.

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. 916 amends the Tax Code to exempt gasoline and diesel fuel sold to a rural transit district that uses the fuel exclusively to provide public transportation from the gasoline tax and diesel fuel tax, respectively, and to exempt compressed natural gas or liquefied natural gas delivered into the fuel supply tank of a motor vehicle operated exclusively by a rural transit district that uses the fuel exclusively to provide public transportation from the compressed natural gas and liquefied natural gas tax.

H.B. 916 entitles such a district to a refund of taxes paid for the applicable fuel used to provide public transportation. The bill authorizes the district to file a refund claim with the comptroller of public accounts for the amount of those taxes. The bill requires the district's refund claim to contain information regarding vehicle mileage, hours of service provided, and fuel consumed and requires the district to maintain all supporting documentation relating to the refund until the sixth anniversary of the request date.

H.B. 916 includes the resale of gasoline or diesel fuel to an applicable rural transit district without collecting the applicable tax as a circumstance under which holders of certain licenses relating to gasoline and diesel fuel tax may take a credit on a tax return for the period in which the original sale occurred, provided the license holder paid the tax on the original purchase of the gasoline or diesel fuel. The bill clarifies that the authorization for a transit company who paid tax on the purchase of gasoline or diesel fuel to seek a refund of one-half of one cent per gallon for fuel used in transit vehicles applies to a transit company who is not otherwise entitled to a refund of that tax.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.