

## **BILL ANALYSIS**

C.S.H.B. 3474  
By: Thierry  
Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The comptroller of public accounts is responsible for investigating cases of potential tax fraud and ensuring that tax is paid on motor fuel transactions. It has been suggested that current law lacks clarity regarding certain terms that are necessary to ensure individuals cannot unlawfully or fraudulently acquire motor fuels. C.S.H.B. 3474 seeks to clarify state law governing motor fuel taxes by revising certain definitions and making certain other changes to aid the comptroller in investigating motor fuel tax fraud.

### **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**

C.S.H.B. 3474 amends the Tax Code to clarify that the tax imposed on gasoline or diesel fuel must be paid by each person receiving the gasoline or diesel fuel in a subsequent sale until the tax is paid ultimately by the person using or consuming the gasoline or diesel fuel. The bill imposes a backup tax on the following persons:

- a person who acquires gasoline or diesel fuel on which tax has not been paid in an original or subsequent sale; and
- a person who acquires gasoline or diesel fuel by any unlawful means, including by purchase through the unauthorized use of a credit card, a debit card, or other money, regardless of whether tax has been previously paid on the gasoline or diesel fuel or was added to the selling price of the gasoline or diesel fuel.

C.S.H.B. 3474 revises the following definitions with regard to motor fuel taxes:

- agricultural purpose;
- cargo tank;
- motor fuel;
- motor fuel transporter;
- solid waste refuse vehicle; and
- transport vehicle.

The bill defines "container" and "delivery" for those purposes.

### **EFFECTIVE DATE**

September 1, 2021.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3474 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Both the original and substitute versions impose a backup tax on a person who acquires gasoline or diesel fuel by unlawful means, but the substitute includes a specification that the backup tax applies regardless of whether tax was added to the selling price of the gasoline or diesel fuel.