

- SUBJECT:** Creating a motor fuel tax exemption for rural transit districts
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 8 ayes — Burrows, Guillen, Bohac, Murphy, Noble, E. Rodriguez, Shaheen, Wray
- 0 nays
- 3 absent — Cole, Martinez Fischer, Sanford
- WITNESSES:** For — Jeff Heckler, Spartan Transit; Robert Turner, Texas Poultry Federation; (*Registered, but did not testify:* Jim Allison, County Judges and Commissioners Association of Texas; Roger Harmon, Johnson County; Wade Long, Texas Transit Association; Deece Eckstein, Travis County Commissioners Court)
- Against — None
- DIGEST:** HB 916 would exempt from motor fuel tax gasoline, diesel, compressed natural gas, and liquefied natural gas sold to a rural transit district for use exclusively in providing public transportation.
- A rural transit district could be refunded any taxes that it paid for such motor fuels. To do so, a refund claim would have to be filed with the comptroller with information on vehicle mileage, hours of service provided, and fuel consumed. A rural transit district requesting a refund would have to maintain all supporting documentation relating to the refund for six years after the date of the request.
- A license holder could claim a credit for any taxes paid on the purchase of gasoline and diesel fuel that was resold tax-free to a rural transit district that used the gasoline or diesel fuel exclusively to provide public transportation.
- Transit companies other than a rural transit district that qualified for a

refund of taxes under this bill also could seek a refund with the comptroller in an amount equal to one cent per gallon for gasoline used in transit vehicles.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019. It would apply to tax liability accruing on or after the effective date.

NOTES:

According to the Legislative Budget Board, the bill would have an estimated negative impact of \$87,000 on general revenue related funds through fiscal 2020-21.