

## **BILL ANALYSIS**

Senate Research Center  
84R9189 ADM-D

H.B. 2731  
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Finance  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 2731 amends the Tax Code to exempt from the gasoline tax, diesel fuel tax, liquefied gas tax, and compressed natural gas and liquefied natural gas tax gasoline, diesel fuel, liquefied petroleum gas, or compressed or liquefied natural gas sold to, or delivered into the fuel supply tank of a vehicle operated by, a nonprofit entity that is organized for the sole purpose of and engaged exclusively in providing emergency medical services and that uses the fuel exclusively to provide emergency medical services including rescue and ambulance services.

H.B. 2731 entitles such a nonprofit entity that paid tax on the purchase of gasoline or diesel fuel to a refund of the tax paid and authorizes the entity to file a refund claim with the comptroller of public accounts of the State of Texas (comptroller) for that amount. The bill excepts a motor vehicle that uses liquefied petroleum gas that is owned by a nonprofit entity qualified for a liquefied gas tax exemption from requirements to have a liquefied gas tax decal or a special use liquefied gas tax decal.

H.B. 2731 authorizes such a nonprofit entity that holds a compressed natural gas and liquefied natural gas dealer's license to take a credit on a return for the period in which the purchase of compressed or liquefied natural gas occurred and authorizes such an entity that does not hold such a dealer's license and that paid tax on the compressed or liquefied natural gas to file a refund claim with the comptroller if the fuel was delivered into the fuel supply tank of a motor vehicle operated exclusively by the nonprofit entity to provide emergency medical services, including rescue and ambulance services.

H.B. 2731 amends current law relating to the exemption of nonprofit ambulance companies from motor fuel taxes.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 162.104(a), Tax Code, as follows:

(a) Provides that the tax imposed by this subchapter does not apply to gasoline:

(1)-(6) Makes no change to these subdivisions;

(7) and (8) Makes a nonsubstantive change; or

(9) sold to a nonprofit entity that is organized for the sole purpose of and engages exclusively in providing emergency medical services and that uses the gasoline exclusively to provide emergency medical services, including rescue and ambulance services.

SECTION 2. Amends Section 162.125, Tax Code, by adding Subsection (g-2), as follows:

(g-2) Provides that a nonprofit entity exempted under Section 162.104(a)(9) from the tax imposed under this subchapter that paid tax on the purchase of gasoline is entitled to a refund of the tax paid, and the entity is authorized to file a refund claim with the comptroller of public accounts of the State of Texas (comptroller) for that amount.

SECTION 3. Amends Section 162.204(a), Tax Code, as follows:

(a) Provides that the tax imposed by this subchapter does not apply to:

(1)-(12) Makes no change to these subdivisions;

(13) and (14) Makes a nonsubstantive change; or

(15) diesel fuel sold to a nonprofit entity that is organized for the sole purpose of and engages exclusively in providing emergency medical services and that uses the diesel fuel exclusively to provide emergency medical services, including rescue and ambulance services.

SECTION 4. Amends Section 162.227, Tax Code, by adding Subsection (f-2), as follows:

(f-2) Provides that a nonprofit entity exempted under Section 162.204(a)(15) from the tax imposed under this subchapter that paid tax on the purchase of diesel fuel is entitled to a refund of the tax paid, and the entity is authorized to file a refund claim with the comptroller for that amount.

SECTION 5. Amends Subchapter D, Chapter 162, Tax Code, by adding Section 162.3023, as follows:

Sec. 162.3023. NONPROFIT EMERGENCY MEDICAL SERVICES EXEMPTION. (a) Provides that the tax imposed by this subchapter does not apply to the sale of liquefied petroleum gas to a nonprofit entity that is organized for the sole purpose of and engages exclusively in providing emergency medical services and that uses the gas exclusively to provide emergency medical services, including rescue and ambulance services, or to the use of liquefied petroleum gas by that entity for that purpose.

(b) Provides that a motor vehicle that uses liquefied petroleum gas, that is owned by a nonprofit entity described by Subsection (a) and that is used exclusively to provide emergency medical services, including rescue and ambulance services, is not required to have a liquefied gas tax decal or a special use liquefied gas tax decal.

SECTION 6. Amends Section 162.356, Tax Code, as follows:

Sec. 162.356. EXEMPTIONS. Provides that the tax imposed by this subchapter does not apply to compressed natural gas or liquefied natural gas delivered into the fuel supply tank of:

(1)-(7) Makes no change to these subdivisions;

(8) Makes a nonsubstantive change;

(9) a motor vehicle operated exclusively by a nonprofit entity that is organized for the sole purpose of and engages exclusively in providing emergency medical services and that uses the fuel exclusively to provide emergency medical services, including rescue and ambulance services; or

(10) Creates this subdivision from existing text. Makes no further change to this subdivision.

SECTION 7. Amends Section 162.365(a), Tax Code, as follows:

(a) Authorizes a license holder to take a credit on a return for the period in which the purchase occurred, and authorizes a person who does not hold a license under this subchapter to file a refund claim with the comptroller if the license holder or person paid tax on compressed natural gas or liquefied natural gas and the license holder or person:

(1)-(7) Makes no change to these subdivisions;

(8) and (9) Makes a nonsubstantive change; or

(10) is a nonprofit entity that is organized for the sole purpose of and engages exclusively in providing emergency medical services and the fuel was delivered into the fuel supply tank of a motor vehicle operated exclusively by the nonprofit entity to provide emergency medical services, including rescue and ambulance services.

SECTION 8. Provides that the change in law made by this Act does not affect tax liability accruing before the effective date of this Act. Provides that liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 9. Effective date: upon passage or September 1, 2015.