

By: Springer

S.B. No. 1438

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a credit or refund for diesel fuel taxes paid on diesel
3 fuel used in this state by auxiliary power units or power take-off
4 equipment.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 162.227, Tax Code, is amended by adding
7 Subsection (d-1) to read as follows:

8 (d-1) A license holder may take a credit on a return for the
9 period in which the purchase occurred, and a person who does not
10 hold a license may file a refund claim with the comptroller, if the
11 license holder or person paid tax on diesel fuel and the diesel fuel
12 is used in this state by auxiliary power units or power take-off
13 equipment on any motor vehicle. If the quantity of that diesel fuel
14 can be accurately measured while the motor vehicle is stationary by
15 any metering or other measuring device or method designed to
16 measure the fuel separately from fuel used to propel the motor
17 vehicle, the comptroller may approve and adopt the use of the device
18 as a basis for determining the quantity of diesel fuel consumed in
19 those operations for a tax credit or tax refund. If there is no
20 separate metering device or other approved measuring method, the
21 license holder may take the credit and the person who does not hold
22 a license may claim the refund on a percentage of the diesel fuel
23 consumed by each motor vehicle equipped with an auxiliary power
24 unit or power take-off equipment. The comptroller shall determine

1 the percentage of diesel fuel for which the credit or refund may be
2 claimed. The climate-control air conditioning or heating system of
3 a motor vehicle that has a primary purpose of providing for the
4 convenience or comfort of the operator or passengers is not a power
5 take-off system, and a credit or refund may not be allowed for the
6 tax paid on any portion of the diesel fuel that is used for that
7 purpose. A credit or refund may not be allowed for the diesel fuel
8 tax paid on that portion of the diesel fuel that is used for idling.

9 SECTION 2. This Act takes effect September 1, 2023.