

By: Swinford

H.B. No. 2794

A BILL TO BE ENTITLED

AN ACT

relating to modification of exceptions to the diesel fuel tax.

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

SECTION 1. Section 153.203(a) of the Tax Code is hereby amended to read as follows:

(a) The tax imposed by this subchapter does not apply to:

(1) diesel fuel delivered by a permitted supplier to a common or contract carrier, oceangoing vessel (including ship, tanker, or boat), or barge for export from this state, if the diesel fuel is moved forthwith outside this state;

(2) diesel fuel sold by a permitted supplier to the federal government for its exclusive use;

(3) diesel fuel sold or delivered by a permitted supplier to another permitted supplier or to the bulk storage facility of an agricultural bonded user, or dyed diesel fuel sold or delivered by a permitted supplier to the bulk storage facility of a dyed diesel fuel bonded user, to the bulk storage facility of a diesel tax prepaid user, or to a purchaser who provides a signed statement as provided by Section 153.205 of this code, but not including a delivery of tax-free diesel fuel into the fuel supply tanks of a motor vehicle, except for a motor vehicle owned by the federal government;

(4) diesel fuel sold or delivered by a permitted supplier into the storage facility of a permitted aviation fuel

1 dealer, from which diesel fuel will be sold or delivered solely into
2 the fuel supply tanks of aircraft or aircraft servicing equipment;

3 (5) diesel fuel sold or delivered by a permitted
4 supplier into fuel supply tanks of [~~railway engines,~~] motorboats,
5 or refrigeration units or other stationary equipment other than
6 railway equipment powered by a separate motor from a separate fuel
7 supply tank;

8 (6) kerosene when delivered by a permitted supplier
9 into a storage facility at a retail business from which all
10 deliveries are exclusively for heating, cooking, lighting, or
11 similar nonhighway use;

12 (7) diesel fuel sold or delivered by one aviation fuel
13 dealer to another aviation fuel dealer who will deliver the diesel
14 fuel exclusively into the supply tanks of aircraft or aircraft
15 servicing equipment;

16 (8) diesel fuel sold by a permitted supplier to a
17 public school district in this state for its exclusive use;

18 (9) diesel fuel sold by a permitted supplier to a
19 commercial transportation company that provides public school
20 transportation services to a school district under Section 344.008,
21 Education Code, and used by the company exclusively to provide
22 those services;

23 (10) diesel fuel sold by a permitted supplier to a
24 person, other than a political subdivision, who owns, controls,
25 operates, or manages a commercial motor vehicle as defined by
26 Section 548.001, Transportation Code, if the fuel:

27 (A) is delivered exclusively into the fuel supply

1 tank of the commercial motor vehicle; and

2 (B) is used exclusively to transport passengers
3 for compensation or hire between points in this state on a fixed
4 route or schedule; or

5 (11) the volume of water that is blended together with
6 taxable diesel fuel when the finished product sold or used is
7 clearly identified on the retail pump, storage tank, and sales
8 invoice as a combination of diesel fuel and water.

9 SECTION 2. This Act takes effect September 1, 2003.