

Amend **HB 3540** by inserting the following appropriately numbered section to read as follows and renumbering subsequent sections accordingly:

SECTION ____ . Section 162.227, Tax Code, is amended by adding Subsections (c-1) and (c-2) to read as follows:

(c-1) A license holder may take a credit on a return for the period in which the purchase occurred, and a person who does not hold a license may file a refund claim with the comptroller, if the license holder or person paid tax on diesel fuel and the diesel fuel is used in this state:

(1) as a feedstock or other component in the further manufacturing of tangible personal property for resale not as a motor fuel; or

(2) in the original production of oil or gas or to increase the production of oil or gas.

(c-2) A person who does not hold a license under this subchapter may file a refund claim with the comptroller if the person paid tax on kerosene and used or consumed the kerosene in this state in manufacturing or as a component part of a product that is not a motor fuel.