

By: Hopson

H.B. No. 520

A BILL TO BE ENTITLED

AN ACT

relating to the tax on gasoline sold to volunteer fire departments for their exclusive use.

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

SECTION 1. Section 162.102, Tax Code, is amended to read as follows:

Sec. 162.102. TAX RATE. (a) Except as provided by Subsection (b), the ~~The~~ gasoline tax rate is 20 cents for each net gallon or fractional part on which the tax is imposed under Section 162.101.

(b) The gasoline tax rate for gasoline sold to a volunteer fire department for its exclusive use is 5 cents for each gallon.

SECTION 2. Section 162.503, Tax Code, is amended to read as follows:

Sec. 162.503. ALLOCATION OF GASOLINE TAX. (a) On or before the fifth workday after the end of each month, the comptroller, after making all deductions for refund purposes and for the amounts allocated under Sections 162.502 and 162.5025, shall allocate the net remainder of the taxes collected under Subchapter B, except for the tax collected for gasoline sold to a volunteer fire department, as follows:

(1) one-fourth of the tax shall be deposited to the credit of the available school fund;

(2) one-half of the tax shall be deposited to the

1 credit of the state highway fund for the construction and
2 maintenance of the state road system under existing law; and

3 (3) from the remaining one-fourth of the tax the
4 comptroller shall:

5 (A) deposit to the credit of the county and road
6 district highway fund all the remaining tax receipts until a total
7 of \$7,300,000 has been credited to the fund each fiscal year; and

8 (B) after the amount required to be deposited to
9 the county and road district highway fund has been deposited,
10 deposit to the credit of the state highway fund the remainder of the
11 one-fourth of the tax, the amount to be provided on the basis of
12 allocations made each month of the fiscal year, which sum shall be
13 used by the Texas Department of Transportation for the
14 construction, improvement, and maintenance of farm-to-market
15 roads.

16 (b) On or before the fifth workday after the end of each
17 month, the comptroller, after making all deductions for refund
18 purposes and for the amounts allocated under Sections 162.502 and
19 162.5025, shall allocate the net remainder of the taxes collected
20 for gasoline sold to a volunteer fire department to the credit of
21 the available school fund.

22 SECTION 3. The change in law made by this Act does not
23 affect taxes imposed before the effective date of this Act, and the
24 law in effect before the effective date of this Act is continued in
25 effect for purposes of the liability for and collection of those
26 taxes.

27 SECTION 4. This Act takes effect January 1, 2006, but only

1 if the constitutional amendment proposed by the 79th Legislature,
2 Regular Session, 2005, authorizing the legislature to allocate an
3 amount greater than one-fourth of the net revenue from the tax on
4 motor fuels sold to volunteer fire departments to the available
5 school fund is approved by the voters. If that amendment is not
6 approved by the voters, this Act has no effect.