

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**March 29, 2005**

**TO:** Honorable Jim Keffer, Chair, House Committee on Ways & Means

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB917** by Krusee (Relating to a credit or refund for diesel fuel taxes paid on diesel fuel used in this state by auxiliary power units or power take-off equipment.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB917, As Introduced: a negative impact of (\$3,663,000) through the biennium ending August 31, 2007.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$1,800,000)
2007	(\$1,863,000)
2008	(\$1,966,000)
2009	(\$2,075,000)
2010	(\$2,190,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>AVAILABLE SCHOOL FUND</i> 2	Probable Revenue Gain/(Loss) from <i>STATE HIGHWAY FUND</i> 6
2006	(\$1,800,000)	(\$5,400,000)
2007	(\$1,863,000)	(\$5,589,000)
2008	(\$1,966,000)	(\$5,898,000)
2009	(\$2,075,000)	(\$6,225,000)
2010	(\$2,190,000)	(\$6,569,000)

**Fiscal Analysis**

The bill would amend Chapter 162 of the Tax Code to allow a credit or refund of diesel fuel tax paid on diesel fuel used for auxiliary power units or power take off equipment on any motor vehicle.

The bill would take effect September 1, 2005.

**Methodology**

This estimate is based upon an analysis made by the Comptroller's Office. The bill would reinstate the auxiliary power unit, power take off deduction by allowing a license holder to take a credit—or a non-license holder to file a refund claim—for the amount of diesel fuel tax paid on diesel fuel used by an auxiliary power unit or power take off equipment on any motor vehicle.

An allowance was made for the additional amount of diesel fuel tax that would be given as a credit or

refunded under the provisions of the bill. The estimate for fiscal 2006 was adjusted for the statutory lag in motor fuel tax remittances. The change in revenues was then subjected to the statutory allocation of diesel fuel taxes.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, SD, WP, CT