

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 30, 2005

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

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

IN RE: HB2657 by Krusee (Relating to the collection of motor fuels taxes.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2657, As Introduced: a negative impact of (\$1,126,000) 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	(\$554,000)
2007	(\$572,000)
2008	(\$591,000)
2009	(\$611,000)
2010	(\$632,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from AVAILABLE SCHOOL FUND 2	Probable Revenue Gain/(Loss) from STATE HIGHWAY FUND 6
2006	(\$554,000)	(\$1,663,000)
2007	(\$572,000)	(\$1,716,000)
2008	(\$591,000)	(\$1,774,000)
2009	(\$611,000)	(\$1,833,000)
2010	(\$632,000)	(\$1,897,000)

Fiscal Analysis

The bill would amend Chapter 162 of the Tax Code regarding motor fuel taxes.

The bill would prohibit the Comptroller from requiring a supplier or permissive supplier to remit from a payment or credit in reduction of a customer's account any tax for which the supplier or permissive supplier had previously taken an accelerated credit for a bad debt.

The bill would require the Comptroller to pay interest on refund warrants issued more than 30 days after the date the Comptroller received a valid refund claim. Interest would be paid at the rate provided by Section 111.060 of the Tax Code. Currently, interest is paid on refund warrants issued more than 60 days after the date the Comptroller receives a valid refund claim.

The bill would extend the period to file for a refund of motor fuel taxes to four years from the anniversary of the first day of the calendar month following the purchase, use, delivery, export, or loss by fire, theft, or accident of motor fuel. Currently, the period to file for a refund of motor fuel taxes is one year from the anniversary of the first day of the calendar month following the purchase, use,

delivery, export, or loss by fire, theft, or accident of motor fuel.

The bill would remove the 7,400 gallon limit on a single delivery of dyed diesel fuel purchased by a signed statement holder.

This bill would take effect September 1, 2005.

Methodology

Comptroller staff used tax records to estimate the potential fiscal impact of the bill. Adjustments were made to the current amounts paid out for interest on motor fuel tax refund warrants, to the amount of motor fuel tax refunds currently issued, and to the amounts of bad debts currently reported on fuels tax reports by gasoline and diesel fuel suppliers to reflect the changes that would be made by the bill. Because removal of the 7,400 gallon limit on a single delivery could increase opportunities for fraud, the estimate was further adjusted to take into account that potential loss.

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