

BILL ANALYSIS

Senate Research Center
80R4135 DAK-F

S.B. 936
By: Van de Putte
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas school districts are allowed to contract with a mass transit authority or a commercial transportation company for all or any part of the districts' public school transportation services. A commercial transportation company that provides public school transportation services is exempt from state fuel taxes, but a mass transit authority providing the same transportation services is not exempt.

As proposed, S.B. 936 exempts a mass transit authority that provides public school transportation services from paying state motor fuel taxes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 162.104(a), Tax Code, as follows:

(a) Provides that the tax imposed by this subchapter (Gasoline Tax) does not apply to gasoline sold to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451 (Metropolitan Rapid Transit Authorities), Transportation Code, that provides public school transportation services to a school district under Section 34.008 (Contract with Transit Authority or Commercial), Education Code, and that uses the gasoline only to provide those services.

SECTION 2. Amends Sections 162.125(a) and (c), Tax Code, as follows:

(a) Authorizes a person licensed under this subchapter (license holder) to take a credit on a return for the period in which the sale occurred if the license holder paid tax on the purchase of gasoline and subsequently resells the gasoline without collecting the tax to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that provides public school transportation services to a school district under Section 34.008, Education Code, and that uses the gasoline exclusively to provide those services.

(c) Makes a conforming change.

SECTION 3. Amends Section 162.204(a), Tax Code, to provide that the tax imposed by this subchapter does not apply to diesel fuel sold to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that provides public school transportation services to a school district under Section 34.008, Education Code, and that uses the diesel fuel only to provide those services.

SECTION 4. Amends Sections 162.227(a) and (c), Tax Code, as follows:

(a) Authorizes a license holder to take a credit on a return for the period in which the sale occurred if the license holder paid tax on the purchase of diesel fuel and subsequently resells the diesel fuel without collecting the tax to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation

Code, that provides public school transportation services to a school district under Section 34.008, Education Code, and that uses the diesel fuel exclusively to provide those services.

(c) Makes a conforming change.

SECTION 5. Amends Section 162.3021(b), Tax Code, to provide that the tax imposed by this subchapter does not apply to the sale of liquefied petroleum gas to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that uses the liquefied petroleum gas exclusively to provide public school transportation services to a school district under Section 34.008, Education Code, or to the use of liquefied petroleum gas by that company for that purpose. Makes a conforming change.

SECTION 6. Makes application of this Act prospective.

SECTION 7. Effective date: July 1, 2007, or October 1, 2007.