

By: Villarreal

H.B. No. 683

A BILL TO BE ENTITLED

AN ACT

relating to the imposition of taxes on rail freight to fund the Texas rail relocation and improvement fund.

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

SECTION 1. This Act may be cited as the Rail Relocation and Improvement Funding Act.

SECTION 2. Subtitle E, Title 2, Tax Code, is amended by adding Chapters 164, 165, 166, and 167 to read as follows:

CHAPTER 164. RAIL FREIGHT TRANSPORTATION SERVICES SALES TAX

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 164.001. APPLICATION OF OTHER PROVISIONS OF CODE.

Except as provided by this chapter:

(1) the tax imposed by this chapter is administered, imposed, collected, and enforced in the same manner as the tax under Chapter 151 is administered, imposed, collected, and enforced; and

(2) the provisions of Chapter 151 applicable to the sales tax imposed under Subchapter C, Chapter 151, apply to the tax imposed by this chapter.

[Sections 164.002-164.050 reserved for expansion]

SUBCHAPTER B. IMPOSITION, RATE, AND ALLOCATION OF TAX

Sec. 164.051. IMPOSITION OF TAX. (a) A tax is imposed on the transportation of property by rail that originates and terminates in this state.

(b) The tax rate is one-half of one percent of the sales

1 price of the service.

2 Sec. 164.052. ALLOCATION OF TAX REVENUE. The comptroller  
3 shall allocate the net revenue from taxes imposed by this chapter to  
4 the Texas rail relocation and improvement fund.

5 CHAPTER 165. RAIL CARGO CONTAINER TRANSFER TAX

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 165.001. DEFINITION. In this chapter, "cargo  
8 container":

9 (1) means a container that may be:

10 (A) used to transport goods;

11 (B) readily handled;

12 (C) transferred from one mode of transport to  
13 another without reloading; and

14 (D) used repeatedly; and

15 (2) includes a container that is fully or partially  
16 enclosed so as to serve as a compartment for goods, has an open top  
17 suitable for loading goods into the container, or consists of a flat  
18 rack suitable for securing goods onto the container.

19 Sec. 165.002. ADMINISTRATION, COLLECTION, AND ENFORCEMENT.  
20 The comptroller by rule shall establish procedures relating to the  
21 administration, collection, and enforcement of the tax imposed  
22 under this chapter.

23 [Sections 165.003-165.050 reserved for expansion]

24 SUBCHAPTER B. IMPOSITION AND RATE OF TAX

25 Sec. 165.051. IMPOSITION OF TAX. (a) A tax is imposed on  
26 the transfer in this state of a cargo container from a rail car to a  
27 mode of transport other than rail.

1       (b) The tax rate is \$10 for each cargo container  
2 transferred.

3       Sec. 165.052. DISCOUNT FOR ADMINISTRATIVE EXPENSES. A  
4 person who makes timely payments of the tax imposed under this  
5 chapter is entitled to retain an amount equal to two percent of the  
6 total taxes to be paid to the comptroller to cover administrative  
7 expenses.

8       [Sections 165.053-165.100 reserved for expansion]

9                   SUBCHAPTER C. ALLOCATION OF TAX

10       Sec. 165.101. ALLOCATION OF TAX REVENUE. The comptroller  
11 shall allocate to the Texas rail relocation and improvement fund  
12 the net revenue from taxes imposed by this chapter on the transfer  
13 of cargo containers from a rail car to a mode of transport other  
14 than rail.

15                   CHAPTER 166. RAIL FREIGHT TRANSPORT TAX

16                   SUBCHAPTER A. IMPOSITION AND RATE OF TAX

17       Sec. 166.001. IMPOSITION OF TAX. (a) A tax is imposed on  
18 each person who transports freight by rail in this state for  
19 compensation or hire.

20       (b) The tax rate is \$200 for each million net-ton miles of  
21 freight transported.

22       Sec. 166.002. ADMINISTRATION, COLLECTION, AND ENFORCEMENT.  
23 The comptroller by rule shall establish procedures relating to the  
24 administration, collection, and enforcement of the tax imposed  
25 under this chapter.

26       [Sections 166.003-166.050 reserved for expansion]

1                   SUBCHAPTER B. ALLOCATION OF TAX

2           Sec. 166.051. ALLOCATION OF TAX REVENUE. The comptroller  
3 shall allocate the net revenue from taxes imposed by this chapter  
4 for freight transported by rail to the Texas rail relocation and  
5 improvement fund.

6           CHAPTER 167. ORIGINATION OR DESTINATION TAX ON RAIL FREIGHT

7                   SUBCHAPTER A. IMPOSITION AND RATE OF TAX

8           Sec. 167.001. IMPOSITION OF TAX. (a) A tax is imposed on:

9                   (1) the loading of rail freight in this state for  
10 revenue; and

11                   (2) the unloading of rail freight in this state for  
12 revenue, except for freight that was taxed under Subdivision (1).

13                   (b) The tax rate is \$20 per rail load of any size.

14           Sec. 167.002. ADMINISTRATION, COLLECTION, AND ENFORCEMENT.

15 The comptroller by rule shall establish procedures relating to the  
16 administration, collection, and enforcement of the tax imposed  
17 under this chapter.

18                   [Sections 167.003-167.050 reserved for expansion]

19                   SUBCHAPTER B. ALLOCATION OF TAX

20           Sec. 167.051. ALLOCATION OF TAX REVENUE. The comptroller  
21 shall allocate the net revenue from taxes imposed by this chapter to  
22 the Texas rail relocation and improvement fund.

23           SECTION 3. This Act takes effect October 1, 2007.