

1-1 By: Chisum, et al. (Senate Sponsor - Janek) H.B. No. 1332
1-2 (In the Senate - Received from the House April 12, 2007;
1-3 April 12, 2007, read first time and referred to Committee on
1-4 Finance; May 8, 2007, reported favorably by the following vote:
1-5 Yeas 12, Nays 0; May 8, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to a credit or refund for taxes paid on diesel fuel used in
1-9 certain manufacturing or production processes.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 162.227, Tax Code, is amended by adding
1-12 Subsection (c-1) to read as follows:

1-13 (c-1) A license holder may take a credit on a return for the
1-14 period in which the purchase occurred, and a person who does not
1-15 hold a license under this subchapter may file a refund claim with
1-16 the comptroller, if the license holder or person paid tax on diesel
1-17 fuel and the diesel fuel is used in this state:

1-18 (1) as a feedstock in the manufacturing of tangible
1-19 personal property for resale not as a motor fuel; or

1-20 (2) in a medium for the removal of drill cuttings from
1-21 a well bore in the production of oil or gas.

1-22 SECTION 2. The change in law made by this Act does not
1-23 affect taxes imposed before the effective date of this Act, and the
1-24 law in effect before the effective date of this Act is continued in
1-25 effect for purposes of the liability for and collection of those
1-26 taxes.

1-27 SECTION 3. This Act takes effect September 1, 2007.

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