

By: Hegar

S.B. No. 1057

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the exemption of volunteer fire departments from
3 certain motor fuel taxes.

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

5 SECTION 1. Section 162.104(a), Tax Code, is amended to read
6 as follows:

7 (a) The tax imposed by this subchapter does not apply to
8 gasoline:

9 (1) sold to the United States for its exclusive use,
10 provided that the exemption does not apply with respect to fuel sold
11 or delivered to a person operating under a contract with the United
12 States;

13 (2) sold to a public school district in this state for
14 the district's exclusive use;

15 (3) sold to a commercial transportation company that
16 provides public school transportation services to a school district
17 under Section 34.008, Education Code, and that uses the gasoline
18 only to provide those services;

19 (4) exported by either a licensed supplier or a
20 licensed exporter from this state to any other state, provided
21 that:

22 (A) for gasoline in a situation described by
23 Subsection (d), the bill of lading indicates the destination state
24 and the supplier collects the destination state tax; or

1 (B) for gasoline in a situation described by
2 Subsection (e), the bill of lading indicates the destination state,
3 the gasoline is subsequently exported, and the exporter is licensed
4 in the destination state to pay that state's tax and has an
5 exporter's license issued under this subchapter;

6 (5) moved by truck or railcar between licensed
7 suppliers or licensed permissive suppliers and in which the
8 gasoline removed from the first terminal comes to rest in the second
9 terminal, provided that the removal from the second terminal rack
10 is subject to the tax imposed by this subchapter;

11 (6) delivered or sold into a storage facility of a
12 licensed aviation fuel dealer from which gasoline will be delivered
13 solely into the fuel supply tanks of aircraft or aircraft servicing
14 equipment, or sold from one licensed aviation fuel dealer to
15 another licensed aviation fuel dealer who will deliver the aviation
16 fuel exclusively into the fuel supply tanks of aircraft or aircraft
17 servicing equipment; ~~or~~

18 (7) exported to a foreign country if the bill of lading
19 indicates the foreign destination and the fuel is actually exported
20 to the foreign country; or

21 (8) sold to a volunteer fire department in this state
22 for the department's exclusive use.

23 SECTION 2. Section 162.125, Tax Code, is amended by adding
24 Subsection (g-1) to read as follows:

25 (g-1) A volunteer fire department exempt from the tax
26 imposed under this subchapter that paid tax on the purchase of
27 gasoline is entitled to a refund of the tax paid, and the volunteer

1 fire department may file a refund claim with the comptroller for
2 that amount.

3 SECTION 3. Section 162.204(a), Tax Code, is amended to read
4 as follows:

5 (a) The tax imposed by this subchapter does not apply to:

6 (1) diesel fuel sold to the United States for its
7 exclusive use, provided that the exemption does not apply to diesel
8 fuel sold or delivered to a person operating under a contract with
9 the United States;

10 (2) diesel fuel sold to a public school district in
11 this state for the district's exclusive use;

12 (3) diesel fuel sold to a commercial transportation
13 company that provides public school transportation services to a
14 school district under Section 34.008, Education Code, and that uses
15 the diesel fuel only to provide those services;

16 (4) diesel fuel exported by either a licensed supplier
17 or a licensed exporter from this state to any other state, provided
18 that:

19 (A) for diesel fuel in a situation described by
20 Subsection (d), the bill of lading indicates the destination state
21 and the supplier collects the destination state tax; or

22 (B) for diesel fuel in a situation described by
23 Subsection (e), the bill of lading indicates the destination state,
24 the diesel fuel is subsequently exported, and the exporter is
25 licensed in the destination state to pay that state's tax and has an
26 exporter's license issued under this subchapter;

27 (5) diesel fuel moved by truck or railcar between

1 licensed suppliers or licensed permissive suppliers and in which
2 the diesel fuel removed from the first terminal comes to rest in the
3 second terminal, provided that the removal from the second terminal
4 rack is subject to the tax imposed by this subchapter;

5 (6) diesel fuel delivered or sold into a storage
6 facility of a licensed aviation fuel dealer from which the diesel
7 fuel will be delivered solely into the fuel supply tanks of aircraft
8 or aircraft servicing equipment, or sold from one licensed aviation
9 fuel dealer to another licensed aviation fuel dealer who will
10 deliver the diesel fuel exclusively into the fuel supply tanks of
11 aircraft or aircraft servicing equipment;

12 (7) diesel fuel exported to a foreign country if the
13 bill of lading indicates the foreign destination and the fuel is
14 actually exported to the foreign country;

15 (8) dyed diesel fuel sold or delivered by a supplier to
16 another supplier and dyed diesel fuel sold or delivered by a
17 supplier or distributor into the bulk storage facility of a dyed
18 diesel fuel bonded user or to a purchaser who provides a signed
19 statement as provided by Section 162.206;

20 (9) the volume of water, fuel ethanol, biodiesel, or
21 mixtures thereof that are blended together with taxable diesel fuel
22 when the finished product sold or used is clearly identified on the
23 retail pump, storage tank, and sales invoice as a combination of
24 diesel fuel and water, fuel ethanol, biodiesel, or mixtures
25 thereof;

26 (10) dyed diesel fuel sold by a supplier or permissive
27 supplier to a distributor, or by a distributor to another

1 distributor;

2 (11) dyed diesel fuel delivered by a license holder
3 into the fuel supply tanks of railway engines, motorboats, or
4 refrigeration units or other stationary equipment powered by a
5 separate motor from a separate fuel supply tank;

6 (12) dyed kerosene when delivered by a supplier,
7 distributor, or importer into a storage facility at a retail
8 business from which all deliveries are exclusively for heating,
9 cooking, lighting, or similar nonhighway use; ~~[or]~~

10 (13) diesel fuel used by a person, other than a
11 political subdivision, who owns, controls, operates, or manages a
12 commercial motor vehicle as defined by Section 548.001,
13 Transportation Code, if the fuel:

14 (A) is delivered exclusively into the fuel supply
15 tank of the commercial motor vehicle; and

16 (B) is used exclusively to transport passengers
17 for compensation or hire between points in this state on a fixed
18 route or schedule; or

19 (14) diesel fuel sold to a volunteer fire department
20 in this state for the department's exclusive use.

21 SECTION 4. Section 162.227, Tax Code, is amended by adding
22 Subsection (f-1) to read as follows:

23 (f-1) A volunteer fire department exempt from the tax
24 imposed under this subchapter that paid tax on the purchase of
25 diesel fuel is entitled to a refund of the tax paid, and the
26 volunteer fire department may file a refund claim with the
27 comptroller for that amount.

1 SECTION 5. The change in law made by this Act does not
2 affect taxes imposed before the effective date of this Act, and the
3 law in effect before the effective date of this Act is continued in
4 effect for purposes of the liability for and collection of those
5 taxes.

6 SECTION 6. This Act takes effect July 1, 2007, if it
7 receives a vote of two-thirds of all the members elected to each
8 house, as provided by Section 39, Article III, Texas Constitution.
9 If this Act does not receive the vote necessary for effect on that
10 date, this Act takes effect September 1, 2007.