

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 11, 2007**

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

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

**IN RE: HB3320** by Keffer, Jim (Relating to motor fuel taxes.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3320, As Introduced: a negative impact of (\$1,804,000) through the biennium ending August 31, 2009.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$859,000)
2009	(\$945,000)
2010	(\$953,000)
2011	(\$971,000)
2012	(\$989,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>AVAILABLE SCHOOL FUND</i> <b>2</b>	Probable Revenue Gain/(Loss) from <i>STATE HIGHWAY FUND</i> <b>6</b>
2008	(\$859,000)	(\$2,576,000)
2009	(\$945,000)	(\$2,836,000)
2010	(\$953,000)	(\$2,859,000)
2011	(\$971,000)	(\$2,912,000)
2012	(\$989,000)	(\$2,967,000)

**Fiscal Analysis**

The bill would amend various sections of the Tax Code, the Code of Criminal Procedure, the Transportation Code, and the Water Code to clarify administrative and technical issues relating to various taxes collected by the Comptroller.

The bill would update references to amended sections of the Tax Code and would update statutory language to conform to current practices.

The bill would allow a distributor to file a refund claim or a supplier or permissive supplier to take a credit for a bad debt on the sale of motor fuel that was delivered into the fuel supply tank of a motor vehicle or motorboat and for which payment was made through the use and acceptance of a credit card issued by the distributor filing the refund claim. Currently, the bad debt deduction may not be taken for these sales made with the use and acceptance of a credit card.

The bill would repeal Sections 162.001(34) and 162.016(c) and (h) of the Tax Code, regarding documentation requirements for the importation and exportation of motor fuel.

The bill would take effect September 1, 2007.

### **Methodology**

This estimate is based upon analyses provided by the Comptroller's Office.

Data from Comptroller tax files were used to estimate the additional motor fuel tax refunds and credits that would be claimed by eligible license holders under the expanded bad debt deduction provisions.

The first year's revenue loss was adjusted to allow for the statutory lag in motor fuel tax remittances.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality

**LBB Staff:** JOB, SD, CT