

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 15, 2007

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: SB326 by Carona (Relating to a credit or refund for diesel fuel taxes paid on diesel fuel used in this state by auxiliary power units or power take-off equipment.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB326, As Introduced: a negative impact of (\$3,844,000) 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	(\$1,793,000)
2009	(\$2,051,000)
2010	(\$2,138,000)
2011	(\$2,202,000)
2012	(\$2,320,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from AVAILABLE SCHOOL FUND 2	Probable Revenue Gain/(Loss) from STATE HIGHWAY FUND 6
2008	(\$1,793,000)	(\$5,379,000)
2009	(\$2,051,000)	(\$6,152,000)
2010	(\$2,138,000)	(\$6,413,000)
2011	(\$2,202,000)	(\$6,606,000)
2012	(\$2,320,000)	(\$6,961,000)

Fiscal Analysis

The bill would amend Chapter 162 of the Tax Code to allow a credit or refund of diesel fuel tax paid on diesel fuel used for auxiliary power units or power take-off equipment on any motor vehicle.

The bill would reinstate the auxiliary power unit, power take-off deduction by allowing a license holder to take a credit—or a non-license holder to file a refund claim—for the amount of diesel fuel tax paid on diesel fuel used by an auxiliary power unit or power take-off equipment on any motor vehicle.

Methodology

This fiscal note is based upon information provided by Comptroller's office staff.

An allowance was made for the additional amount of diesel fuel tax that would be given as a credit or

refunded under the provisions of this bill. The estimate for fiscal 2008 was adjusted for the statutory lag in motor fuel tax remittances. The changes in forecast revenues were then subjected to the statutory allocation of diesel fuel taxes.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, SD, CT