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No equivalent provision.

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SECTION __. (a) Section 11.184, Tax Code, is amended by amending Subsection (c) and adding Subsections (l), (m), and (n) to read as follows:

(c) A [~~If approved under Subsection (b), a~~] qualified charitable organization is entitled to an exemption from taxation of:

(1) the buildings and other real property and the tangible personal property that:

(A) are owned by the organization; and

(B) except as permitted by Subsection (d), are used exclusively by the organization and other organizations eligible for an exemption from taxation under this section or Section 11.18; and

(2) the real property owned by the organization consisting of:

(A) an incomplete improvement that:

(i) is under active construction or other physical preparation; and

(ii) is designed and intended to be used exclusively by the organization and other organizations eligible for an exemption from taxation under this section or Section 11.18; and

(B) the land on which the incomplete improvement is located that will be reasonably necessary for the use of the improvement by the organization and other organizations eligible for an exemption from taxation under this section or Section 11.18.

(l) Notwithstanding the other provisions of this section, a corporation that is not a qualified charitable organization is entitled to an exemption from taxation of

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property under this section if:

(1) the corporation is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt entity under Section 501(c)(2) of that code;

(2) the corporation holds title to the property for, collects income from the property for, and turns over the entire amount of that income, less expenses, to a qualified charitable organization; and

(3) the qualified charitable organization would qualify for an exemption from taxation of the property under this section if the qualified charitable organization owned the property.

(m) Before a corporation described by Subsection (l) may submit an application for an exemption under this section, the qualified charitable organization for which the corporation holds title to the property must apply to the comptroller for the determination described by Subsection (e) with regard to the qualified charitable organization. The application for the determination must also include an application to the comptroller for a determination of whether the corporation meets the requirements of Subsections (l)(1) and (2). The corporation shall submit with the application for an exemption under this section a copy of the determination letter issued by the comptroller. The chief appraiser shall accept the copy of the letter as conclusive evidence of the matters described by Subsection (h) as well as of whether the corporation meets the requirements of Subsections (l)(1) and (2).

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(n) Notwithstanding Subsection (k), in order for a corporation to continue to receive an exemption under Subsection (l) after the fifth tax year after the year in which the exemption is granted, the qualified charitable organization for which the corporation holds title to property must obtain a new determination letter and the corporation must reapply for the exemption.

(b) Section 11.184(b), Tax Code, is repealed.

(c) This section applies only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2008.

No equivalent provision.

SECTION __. (a) Section 21.02(e), Tax Code, is amended to read as follows:

(e) In this subsection, "portable drilling rig" includes equipment associated with the drilling rig. A portable drilling rig designed for land-based oil or gas drilling or exploration operations is taxable by each [the] taxing unit in which the rig is located on January 1 if the rig was located in the appraisal district that appraises property for the unit for the preceding 365 consecutive days. If the drilling rig was not located in the appraisal district where it is located on January 1 for the preceding 365 days, it is taxable by each [the] taxing unit in which the owner's principal place of business in this state is located on January 1, unless the owner renders the rig under Chapter 22 to the appraisal district in which the rig is located on January 1, in which event the rig is taxable by each taxing unit in which the rig is located on January 1.

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If an owner elects to render any portable drilling rig to the appraisal district in which the rig is located on January 1 when the rig otherwise would be taxable at the owner's principal place of business in this state, all the owner's portable drilling rigs are taxable by the taxing units in which each rig is located on January 1. Notwithstanding any other provision of this subsection, if the owner of a portable drilling rig does not have a place of business in this state, the rig is taxable by each taxing unit in which the rig is located on January 1.

(b) Subsection (a) of this section applies only to a tax year that begins on or after the effective date of this section.

(c) This section takes effect January 1, 2008.

SECTION 1. Subchapter A, Chapter 111, Tax Code, is amended by adding Section 111.0102 to read as follows:
Sec. 111.0102. SUIT CHALLENGING COLLECTION ACTION. Venue for and jurisdiction of a suit that challenges or is for the purpose of avoiding a comptroller collection action or state tax lien in any manner is exclusively conferred on the district courts of Travis County.

Same as House version.

SECTION 2. Section 111.016, Tax Code, is amended by adding Subsections (a-1) and (b-1) to read as follows:
(a-1) A person is presumed to have received or collected a tax or money represented to be a tax for the purpose of

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this section if the person files, or causes to be filed, a tax return or report with the comptroller showing tax due. A person, including a person who is on the accrual method of accounting, may rebut this presumption by providing satisfactory documentation to the comptroller that the tax on a transaction or series of transactions was not collected. The documentation is subject to verification by the comptroller.

(b-1) Notwithstanding any other provision of this title, if the tax liability of a corporation, association, limited liability company, limited partnership, or other legal entity with which the responsible individual was employed or associated has either not become final, is subject to tolling of limitations under Section 111.207, or is the subject of a federal bankruptcy proceeding, the statute of limitations relating to the period during which the individual may be personally assessed by the comptroller is stayed until the first anniversary of the date the liability becomes final or the date the bankruptcy proceeding is closed or dismissed.

SECTION 3. Section 111.017, Tax Code, is amended to read as follows:

Sec. 111.017. SEIZURE AND SALE OF PROPERTY.

(a) Before the expiration of three years after a person becomes delinquent in the payment of any amount under this title, the comptroller may seize and sell at public auction real and personal property of the person. A seizure made to collect the tax is limited only to property

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of the person that is not exempt from execution. Service or delivery of a notice of seizure under this section affecting property held by a financial institution in the name of or on behalf of a delinquent who is a customer of the financial institution is governed by Section 59.008, Finance Code.

(b) A person commits an offense if the person obstructs, hinders, impedes, or interferes with the comptroller's seizure of the property of a delinquent taxpayer in the following ways:

(1) trespassing on the property of a business or a business location that has been seized by the comptroller without the permission of the comptroller or the comptroller's agents;

(2) removing or breaking a lock on a business or business location that has been seized by the comptroller without the permission of the comptroller or the comptroller's agents;

(3) removing or causing to be removed any inventory, equipment, or other property from a business or business location seized by the comptroller without the permission of the comptroller or the comptroller's agents;

(4) damaging, destroying, or defacing any inventory, equipment, or property or the business location of a delinquent taxpayer while it is under seizure by the comptroller; or

(5) knowingly obstructing, hindering, or impeding the comptroller or the comptroller's agents in the seizure or securing of a delinquent taxpayer's property, including the taxpayer's business location, inventory, or equipment,

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under this section.

(c) An offense under Subsection (b) is a Class A misdemeanor.

SECTION 4. Section 111.021, Tax Code, is amended by amending Subsection (d) and adding Subsection (f-1) to read as follows:

(d) On receipt of a notice given under this section, the person receiving the notice:

(1) within 20 days after receiving the notice shall advise the comptroller of each such asset belonging to the delinquent or person to whom an unpaid determination applies that is possessed or controlled by the person receiving the notice and of each debt owed by the person receiving the notice to the delinquent person or person to whom an unpaid determination applies; ~~and~~

(2) may not transfer or dispose of the asset or debt possessed, controlled, or owed by the person at the time the person received the notice for a period of 60 days after receipt of the notice, unless the comptroller consents to an earlier disposal; ~~and~~

(3) may not avoid or attempt to avoid compliance with this section by filing an interpleader action in court and depositing the delinquent's or person's funds or other assets into the registry of the court.

(f-1) A person who fails or refuses to comply with this section after receiving a notice of freeze or levy is liable for a penalty in an amount equal to 50 percent of the amount sought to be frozen or levied. This penalty is in

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addition to the liability imposed under Subsection (f). The penalty may be assessed and collected by the comptroller using any remedy available to collect other amounts under this title.

SECTION 5. Subchapter B, Chapter 111, Tax Code, is amended by adding Section 111.0511 to read as follows:
Sec. 111.0511. RESTRICTED OR CONDITIONAL PAYMENTS TO COMPTROLLER PROHIBITED. (a) In this section, "taxes" includes the tax and any penalties and interest relating to a tax liability. (b) Unless the restriction or condition is authorized by this title, a restriction or condition placed on a check or other money instrument in payment of taxes by the maker that purports to limit the amount of taxes owed or place a condition on its acceptance or negotiation is void.

Same as House version.

SECTION 6. Subchapter B, Chapter 111, Tax Code, is amended by adding Section 111.0611 to read as follows:
Sec. 111.0611. PERSONAL LIABILITY FOR FRAUDULENT TAX EVASION. (a) An officer, manager, or director of a corporation, association, or limited liability company, a partner of a general partnership, or a managing general partner of a limited partnership or limited liability partnership who, as an officer, manager, director, or partner, took an action or participated in a fraudulent scheme or fraudulent plan to evade the payment of taxes due under Title 2 or 3 is

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personally liable for the taxes and any penalty and interest due. The personal liability of an individual includes liability for the additional 50 percent fraud penalty provided by Section 111.061(b). The comptroller shall assess individuals liable under this section in the same manner as other persons or entities may be assessed under this chapter.

(b) For purposes of this section, actions that may indicate the existence of a fraudulent scheme or a fraudulent plan to evade the payment of taxes include:

(1) filing, or causing to be filed, a false or fraudulent tax return or report with the comptroller on behalf of the business entity;

(2) intentionally failing to file a tax return, report, or other required document with the comptroller when the business entity is under a legal obligation to file;

(3) filing, or causing to be filed, a tax return or report with the comptroller on behalf of the business entity that contains an intentionally false statement that results in the amount of the tax due exceeding the amount of tax reported by 25 percent or more; and

(4) altering, destroying, or concealing any record, document, or thing, presenting to the comptroller any altered or fraudulent record, document, or thing, or otherwise engaging in fraudulent conduct with the intent to affect the course or outcome of a comptroller audit or investigation, a redetermination hearing, or another proceeding involving the comptroller.

(c) To the extent the comptroller can verify and secure sufficient unencumbered assets of the corporation,

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personally liable for the taxes and any penalty and interest due. The personal liability of an individual includes liability for the additional 50 percent fraud penalty provided by Section 111.061(b). The comptroller shall assess individuals liable under this section in the same manner as other persons or entities may be assessed under this chapter.

(b) For purposes of this section, actions that may indicate the existence of a fraudulent scheme or a fraudulent plan to evade the payment of taxes include:

(1) filing, or causing to be filed, a fraudulent tax return or report with the comptroller on behalf of the business entity;

(2) intentionally failing to file a tax return, report, or other required document with the comptroller when the business entity is under a legal obligation to file;

(3) filing, or causing to be filed, a tax return or report with the comptroller on behalf of the business entity that contains an intentionally false statement that results in the amount of the tax due exceeding the amount of tax reported by 25 percent or more; and

(4) altering, destroying, or concealing any record, document, or thing, presenting to the comptroller any altered or fraudulent record, document, or thing, or otherwise engaging in fraudulent conduct with the intent to affect the course or outcome of a comptroller audit or investigation, a redetermination hearing, or another proceeding involving the comptroller.

(c) To the extent the comptroller can verify and secure sufficient unencumbered assets of the corporation,

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association, or partnership to satisfy the liability, an individual's personal liability under Subsection (a) is limited to the amount by which the total tax, penalty, and interest due under this section exceeds those assets.

SECTION 7. Section 113.106, Tax Code, is amended by adding Subsections (e) and (f) to read as follows:

(e) A person must bring suit to determine the validity of a state tax lien not later than the 10th anniversary of the date the lien was filed. If more than one state tax lien has been filed relating to the same tax liability, the 10-year limitation period provided by this subsection is calculated from the date of the filing of the first lien relating to the liability.

(f) A taxpayer is presumed to have received proper notice of the taxpayer's tax liability if the notice is delivered to the taxpayer's last address of record with the comptroller. The taxpayer may rebut the presumption by presenting substantive evidence that demonstrates that notice of the tax liability was not received. If the taxpayer rebuts the presumption of receipt of proper notice with evidence the comptroller considers satisfactory, the period of limitations for filing suit provided by Subsection (e) does not apply.

No equivalent provision.

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association, or partnership to satisfy the liability, an individual's personal liability under Subsection (a) is limited to the amount by which the total tax, penalty, and interest due under this section exceeds those assets.

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SECTION __.Section 151.326, Tax Code, is amended as follows:

Section 151.326. Clothing and Footwear for Limited

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Period.

(a)The sale of an article of clothing or footwear designed to be worn on or about the human body is exempted from the taxes imposed by this chapter if:

- (1)the sales price of the article is less than \$100, and,
- (2)the sale takes place during a period beginning at 12:01 a.m. on the ~~first~~third Friday in August and ending at 12 midnight on the following Sunday.

(b)This section does not apply to:

- (1) Any special clothing or footwear that is primarily designed for athletic activity or protective use and that is not normally worn except when used for the athletic activity or protective use it is for which it is designed;
- (2)accessories, including jewelry, handbags, luggage, umbrellas, wallets, watches, and similar items carried on or about the human body, without regard to whether worn on the body in a manner characteristic of clothing; and
- (3)the rental of clothing or footwear.

(c)The sale of a school backpack made for a sales price less than \$100 during the period described in this Section is exempted from the taxes imposed by this chapter if the backpack is purchased for use by a student in a public or private elementary or secondary school. A retailer is not required to obtain an exemption certificate stating that school backpacks are purchased for use by students in a public of. private elementary or secondary school unless the backpacks are purchased in a quantity that indicates that the backpacks are not purchased for use by students in a public or private elementary or secondary school.

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(d) This section takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect of this section, this section shall take effect on the effective date provided for in this Act.

SECTION 8. Subchapter C, Chapter 152, Tax Code, is amended by adding Section 152.0472 to read as follows:
Sec. 152.0472. DETERMINATION OF WHETHER LOAN IS FACTORED, ASSIGNED, OR TRANSFERRED. (a) A seller is not considered to have factored, assigned, or transferred a loan under Section 152.047(g) if:

(1) a loan through a seller is pledged as security for the sale of bonds:

(A) to a qualified institutional buyer, as that term is defined by 17 C.F.R. Section 230.144A, that is not affiliated to the seller;

(B) to an institutional accredited investor, as that term is defined by 17 C.F.R. Section 230.501(a)(1), (2), (3), or (7), that is not affiliated to the seller; or

(C) in a public offering;

(2) the right to receive payments and the risk of loss on nonpayment remains with the seller or an affiliated collection entity acting as agent of the seller; and

(3) bondholders receive only interest and principal.

(b) Notwithstanding Subsection (a), the seller may elect

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to pay all unpaid tax imposed under this chapter on the total consideration. A seller that makes this election is entitled to a credit or reimbursement for the taxes paid under this chapter on the remaining unpaid balance of the contract for which the seller has not received payment or has not otherwise collected the tax due. The seller shall take the tax credit or reimbursement on the seller's seller-finance return. The tax credit or reimbursement does not accrue interest.

No equivalent provision.

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

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

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

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

(3) sold to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that provides public school transportation services to a school district under Section 34.008, Education Code, and that uses the gasoline only to provide those services;

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

(A) for gasoline in a situation described by Subsection

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(d), the bill of lading indicates the destination state and the supplier collects the destination state tax; or
(B) for gasoline in a situation described by Subsection (e), the bill of lading indicates the destination state, the gasoline is subsequently exported, and the exporter is licensed in the destination state to pay that state's tax and has an exporter's license issued under this subchapter;
(5) moved by truck or railcar between licensed suppliers or licensed permissive suppliers and in which the gasoline removed from the first terminal comes to rest in the second terminal, provided that the removal from the second terminal rack is subject to the tax imposed by this subchapter;
(6) delivered or sold into a storage facility of a licensed aviation fuel dealer from which gasoline will be delivered solely into the fuel supply tanks of aircraft or aircraft servicing equipment, or sold from one licensed aviation fuel dealer to another licensed aviation fuel dealer who will deliver the aviation fuel exclusively into the fuel supply tanks of aircraft or aircraft servicing equipment; or
(7) exported to a foreign country if the bill of lading indicates the foreign destination and the fuel is actually exported to the foreign country.

No equivalent provision.

SECTION __. Section 162.125(a), Tax Code, is amended to read as follows:
(a) A license holder may take a credit on a return for the period in which the sale occurred if the license holder

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paid tax on the purchase of gasoline and subsequently resells the gasoline without collecting the tax to:

- (1) the United States government for its exclusive use, provided that a credit is not allowed for gasoline used by a person operating under contract with the United States;
- (2) a public school district in this state for the district's exclusive use;
- (3) an exporter licensed under this subchapter if the seller is a licensed supplier or distributor and the exporter subsequently exports the gasoline to another state;
- (4) a licensed aviation fuel dealer if the seller is a licensed distributor; or
- (5) a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that provides public school transportation services to a school district under Section 34.008, Education Code, and that uses the gasoline exclusively to provide those services.

No equivalent provision.

SECTION __. Subchapter B, Chapter 162, Tax Code, is amended by adding Section 162.1275 to read as follows:
Sec. 162.1275. REFUND FOR CERTAIN METROPOLITAN RAPID TRANSIT AUTHORITIES.
(a) Except as otherwise provided by this section, a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that is a party to a contract governed by Section 34.008, Education Code, is entitled to a refund of taxes paid under this subchapter for gasoline used to provide services under the contract

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and may file a refund claim with the comptroller for the amount of those taxes.

(b) The refund claim under Subsection (a) must contain information regarding:

(1) vehicle mileage;

(2) hours of service provided;

(3) fuel consumed;

(4) the total number of student passengers per route; and

(5) the total number of non-student passengers per route.

(c) If in any month of a school year the number of non-student passengers is greater than five percent of the total passengers for any single route under a contract governed by Section 34.008, Education Code, the metropolitan rapid transit authority is not entitled to a refund of taxes paid under this subchapter for the route for that month.

(d) A metropolitan rapid transit authority that requests a refund under this section shall maintain all supporting documentation relating to the refund until the sixth anniversary of the date of the request.

No equivalent provision.

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

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

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

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- (2) diesel fuel sold to a public school district in this state for the district's exclusive use;
- (3) diesel fuel sold to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that provides public school transportation services to a school district under Section 34.008, Education Code, and that uses the diesel fuel only to provide those services;
- (4) diesel fuel exported by either a licensed supplier or a licensed exporter from this state to any other state, provided that:
 - (A) for diesel fuel in a situation described by Subsection (d), the bill of lading indicates the destination state and the supplier collects the destination state tax; or
 - (B) for diesel fuel in a situation described by Subsection (e), the bill of lading indicates the destination state, the diesel fuel is subsequently exported, and the exporter is licensed in the destination state to pay that state's tax and has an exporter's license issued under this subchapter;
- (5) diesel fuel moved by truck or railcar between licensed suppliers or licensed permissive suppliers and in which the diesel fuel removed from the first terminal comes to rest in the second terminal, provided that the removal from the second terminal rack is subject to the tax imposed by this subchapter;
- (6) diesel fuel delivered or sold into a storage facility of a licensed aviation fuel dealer from which the diesel fuel will be delivered solely into the fuel supply tanks of aircraft or aircraft servicing equipment, or sold from one licensed aviation fuel dealer to another licensed aviation

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- fuel dealer who will deliver the diesel fuel exclusively into the fuel supply tanks of aircraft or aircraft servicing equipment;
- (7) diesel fuel exported to a foreign country if the bill of lading indicates the foreign destination and the fuel is actually exported to the foreign country;
- (8) dyed diesel fuel sold or delivered by a supplier to another supplier and dyed diesel fuel sold or delivered by a supplier or distributor into the bulk storage facility of a dyed diesel fuel bonded user or to a purchaser who provides a signed statement as provided by Section 162.206;
- (9) the volume of water, fuel ethanol, biodiesel, or mixtures thereof that are blended together with taxable diesel fuel when the finished product sold or used is clearly identified on the retail pump, storage tank, and sales invoice as a combination of diesel fuel and water, fuel ethanol, biodiesel, or mixtures thereof;
- (10) dyed diesel fuel sold by a supplier or permissive supplier to a distributor, or by a distributor to another distributor;
- (11) dyed diesel fuel delivered by a license holder into the fuel supply tanks of railway engines, motorboats, or refrigeration units or other stationary equipment powered by a separate motor from a separate fuel supply tank;
- (12) dyed kerosene when delivered by a supplier, distributor, or importer into a storage facility at a retail business from which all deliveries are exclusively for heating, cooking, lighting, or similar nonhighway use; or
- (13) diesel fuel used by a person, other than a political

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subdivision, who owns, controls, operates, or manages a commercial motor vehicle as defined by Section 548.001, Transportation Code, if the fuel:

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

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

No equivalent provision.

SECTION __. Section 162.227(a), Tax Code, is amended to read as follows:

(a) A license holder may take a credit on a return for the period in which the sale occurred if the license holder paid tax on the purchase of diesel fuel and subsequently resells the diesel fuel without collecting the tax to:

(1) the United States government for its exclusive use, provided that a credit is not allowed for gasoline used by a person operating under a contract with the United States;

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

(3) an exporter licensed under this subchapter if the seller is a licensed supplier or distributor and the exporter subsequently exports the diesel fuel to another state;

(4) a licensed aviation fuel dealer if the seller is a licensed distributor; or

(5) a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that provides public

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school transportation services to a school district under Section 34.008, Education Code, and that uses the diesel fuel exclusively to provide those services.

No equivalent provision.

SECTION __. Subchapter C, Chapter 162, Tax Code, is amended by adding Section 162.2275 to read as follows:

Sec. 162.2275. REFUND FOR CERTAIN METROPOLITAN RAPID TRANSIT AUTHORITIES.

(a) Except as otherwise provided by this section, a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that is a party to a contract governed by Section 34.008, Education Code, is entitled to a refund of taxes paid under this subchapter for diesel fuel used to provide services under the contract and may file a refund claim with the comptroller for the amount of those taxes.

(b) The refund claim under Subsection (a) must contain information regarding:

- (1) vehicle mileage;
- (2) hours of service provided;
- (3) fuel consumed;
- (4) the total number of student passengers per route; and
- (5) the total number of non-student passengers per route.

(c) If in any month of a school year the number of non-student passengers is greater than five percent of the total passengers for any single route under a contract governed by Section 34.008, Education Code, the metropolitan rapid transit authority is not entitled to a refund of taxes paid under this subchapter for the route

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for that month.

(d) A metropolitan rapid transit authority that requests a refund under this section shall maintain all supporting documentation relating to the refund until the sixth anniversary of the date of the request.

No equivalent provision.

SECTION __. Section 162.3021(b), Tax Code, is amended to read as follows:

(b) Subject to Section 162.3022, the [The] tax imposed by this subchapter does not apply to the sale of liquefied petroleum gas to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that uses the gas exclusively to provide public school transportation services to a school district under Section 34.008, Education Code, or to the use of liquefied petroleum gas by that company for that purpose. A motor vehicle that uses liquefied petroleum gas and that is owned by a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, and used exclusively to provide public school transportation services to a school district under Section 34.008, Education Code, is not required to have a liquefied gas tax decal or a special use liquefied gas tax decal.

No equivalent provision.

SECTION __. Subchapter D, Chapter 162, Tax Code, is amended by adding Section 162.3022 to read as follows:

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Sec. 162.3022. EXCLUSIVE USE FOR CERTAIN METROPOLITAN RAPID TRANSIT AUTHORITIES.

(a) This section applies to a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that is a party to a contract governed by Section 34.008, Education Code, that is not required under Section 162.3021 to have a liquefied gas tax decal or a special use liquefied gas tax decal for liquefied gas used to provide services under the contract.

(b) If in any month of a school year the number of non-student passengers is greater than five percent of the total passengers for any single route under a contract governed by Section 34.008, Education Code, the metropolitan rapid transit authority is liable for the tax under this subchapter in an amount that is prorated for that month.

(c) The metropolitan rapid transit authority shall maintain the following supporting documentation relating to the services provided under the contract until the sixth anniversary of the date of the services provided:

- (1) vehicle mileage;
- (2) hours of service provided;
- (3) fuel consumed;
- (4) the total number of student passengers per route; and
- (5) the total number of non-student passengers per route.

(d) The comptroller may adopt rules to implement this section.

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No equivalent provision.

No equivalent provision.

SECTION 9. Section 183.053(b), Tax Code, is amended to read as follows:

(b) The total of bonds, certificates of deposit, letters of credit, or other security determined to be sufficient by the comptroller of a permittee subject to the tax imposed by this chapter shall be in an amount that the comptroller determines to be sufficient to protect the fiscal interests of the state. The comptroller may not set the amount of security at less than \$1,000 or more than the greater of \$100,000 or four times the amount of the permittee's average monthly tax liability [~~\$50,000~~].

SENATE VERSION

SECTION __. The changes in law made by this Act to Chapter 162, Tax Code, do not affect taxes imposed before the effective date of this Act, and the law in effect before the effective date of this Act is continued in effect for purposes of the liability for and collection of those taxes.

SECTION __. Notwithstanding any other provision of this Act, the Sections of this Act amending Chapter 162, Tax Code, take effect July 1, 2007, if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for effect on that date, those Sections take effect October 1, 2007.

Same as House version.

CONFERENCE

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No equivalent provision.

SENATE VERSION

SECTION __. (a) Subsection (b), Section 202.061, Tax Code, is amended to read as follows:

(b) The taxpayer responsible for the payment of severance taxes on the production from a marginal well in this state on which enhanced efficiency equipment is installed and used is entitled to a credit in an amount equal to 10 percent of the cost of the equipment, provided that:

(1) the cumulative total of all severance tax credits authorized by this section may not exceed \$1,000 for any marginal well;

(2) the enhanced efficiency equipment installed in a qualifying marginal well must have been purchased and installed not earlier than September 1, 2005, or later than September 1, 2013 [~~2009~~];

(3) the taxpayer must file an application with the comptroller for the credit and must demonstrate to the comptroller that the enhanced efficiency equipment has been purchased and installed in the marginal well within the period prescribed by Subdivision (2);

(4) the number of applications the comptroller may approve each state fiscal year may not exceed a number equal to one percent of the producing marginal wells in this state on September 1 of that state fiscal year, as determined by the comptroller; and

(5) the manufacturer of the enhanced efficiency equipment must obtain an evaluation of the product under Subsection (a).

(b) Notwithstanding any other provision of this Act, this section takes effect September 1, 2007.

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No equivalent provision.

SECTION __. Subsections (b) and (d), Section 222.003, Transportation Code, are amended to read as follows:
(b) The aggregate principal amount of the bonds and other public securities that are issued may not exceed \$6 [~~\$3~~] billion. The commission may only issue bonds or other public securities in an aggregate principal amount of not more than \$1.5 [~~\$1~~] billion each year.
(d) Of the aggregate principal amount of bonds and other public securities that may be issued under this section, the commission shall issue bonds or other public securities in an aggregate principal amount of \$1.2 billion [~~\$600 million~~] to fund projects that reduce accidents or correct or improve hazardous locations on the state highway system. The commission by rule shall prescribe criteria for selecting projects eligible for funding under this section. In establishing criteria for the projects, the commission shall consider accident data, traffic volume, pavement geometry, and other conditions that can create or exacerbate hazardous roadway conditions.

No equivalent provision.

SECTION __. Subchapter A, Chapter 222, Transportation Code, is amended by adding Section 222.004 to read as follows:
Sec. 222.004. INSURANCE OF GENERAL OBLIGATION BONDS FOR HIGHWAY IMPROVEMENT PROJECTS. (a) The commission may

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issue general obligation bonds to fund state highway improvement projects.

(b) The aggregate principal amount of the bonds that are issued may not exceed \$5 billion.

(c) The proceeds of bonds issued under this section may not be used for any purpose other than the payment of any costs related to the bonds and the purposes for which revenues are dedicated under Section 7-a, Article VIII, Texas Constitution.

(d) The commission may enter into credit agreements, as defined by Chapter 1371, Government Code, relating to the bonds authorized by this section. The agreements may be secured by and payable from the same sources as the bonds.

(e) All laws affecting the issuance of bonds and other public securities by governmental entities, including Chapters 1201, 1202, 1204, 1207, 1231, and 1371, Government Code, apply to the issuing of bonds and the entering into of credit agreements under this section.

(f) The proceeds of bonds issued under this section may be used to:

(1) finance other funds relating to the bonds, including debt service reserve and contingency; and

(2) pay the cost or expense of the issuance of the bonds.

(g) Bonds issued under this section may be sold in such manner and subject to such terms and provisions as set forth in the order authorizing their issuance, and such bonds must mature not later than 30 years after their dates of issuance, subject to any refundings or renewals.

(h) The comptroller shall pay the principal of the bonds

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as they mature and the interest as it becomes payable, and shall pay any cost related to the bonds that become due, including payments under credit agreements.

No equivalent provision.

SECTION __. Section 22.004, Transportation Code, as added by this Act, takes effect on the date on which the constitutional amendment proposed by S.J.R. No. 64, 80th Legislature, Regular Session, 2007, takes effect. If that amendment is not approved by the voters, that section does not take effect.

No equivalent provision.

SECTION __. Section 502.185, Transportation Code, is amended to read as follows:
Sec. 502.185. REFUSAL TO REGISTER CERTAIN VEHICLES [~~VEHICLE IN CERTAIN COUNTIES~~]. (a) A county may enter into a contract with [~~assessor-collector or~~] the department under which the department shall [~~may~~] refuse to register a motor vehicle if the assessor-collector for that county notifies [~~or~~] the department [~~receives information~~] that the owner of the vehicle owes the county money for a fine, fee, or tax that is past due.
(b) The [~~A county may contract with the~~] department shall refuse to register a motor vehicle if the department has received from the assessor-collector for a county that has entered into a contract with [~~to provide information to~~] the department [~~necessary to make a determination~~] under Subsection (a) notice that the owner of the vehicle

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owes the county money for a fine, fee, or tax that is past due. To be valid, the notice must include:

(1) the name of the owner and the license number or vehicle identification number of the vehicle;

(2) the amount of each fine, fee, or tax that is past due;

(3) the name of the entity to which each fine, fee, or tax is due; and

(4) the address of the office where payment of each fine, fee, or tax can be made or sent and the telephone number for that office.

(c) On receipt of notice that complies with Subsection (b), the department shall notify the owner of the vehicle, in writing, of the department's refusal under this section to register the vehicle. The department shall include with the notice to the owner a copy of the notice received from the county assessor-collector under Subsection (b) or a statement that includes the information listed in Subsections (b)(1)-(4). The notice must state that the department will continue to refuse to register the vehicle until the owner pays or otherwise discharges each fine, fee, or tax due the county.

(d) A county assessor-collector who ~~that~~ has sent a notice to the department ~~[contract]~~ under Subsection (b) shall notify the department not later than the third business day after the date the person ~~[regarding a person for whom the county assessor-collector or the department has refused to register a motor vehicle on]~~:

(1) makes ~~[the person's]~~ payment or other means of discharge of the past due fine, fee, or tax; or

(2) perfects ~~[perfection of]~~ an appeal of the case

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contesting payment of the fine, fee, or tax.

(e) [~~(d)~~] After notice is received under Subsection (d), [~~(e)~~, the county assessor collector or] the department may not refuse to register the motor vehicle under Subsection (b) [~~(a)~~].

(f) The department may enter into a [~~(e)~~—A] contract with a private vendor to implement this section [~~under Subsection (b) must be entered into in accordance with Chapter 791, Government Code, and is subject to the ability of the parties to provide or pay for the services required under the contract~~].

(g) [~~(f)~~] A county that has entered into a contract under Subsection (a) [~~(b)~~] may impose an additional fee on [~~(t)~~] a person paying a fine, fee, or tax to the county after the date the county assessor-collector sends notice to the department under Subsection (b) [it is past due]. The amount of the additional fee must be reasonable. Each additional fee collected by a county shall be sent to the department for deposit to the credit of the state highway fund and [~~may be~~] used only to reimburse the department for its expenses for providing services under the contract.

(h) [~~(g)~~] In this section:

- (1) a fine, fee, or tax is considered past due if it is unpaid 90 or more days after the date it is due; and
- (2) registration of a motor vehicle includes renewal of the registration of the vehicle.

(i) [~~(h)~~] This section does not apply to the registration of a motor vehicle under Section 501.0234.

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

No equivalent provision.

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SECTION 10. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

(b) The SECTION of this Act that amends Section 502.185, Transportation Code, takes effect September 1, 2010. An existing contract entered into by a county and the Texas Department of Transportation under Section 502.185, Transportation Code, as that section existed immediately before September 1, 2010, automatically terminates on that date.

The SECTION numbers below were added by FA2 as amended. References to SECTION numbers within them are self-contained.

SECTION 10. Subsection (b), Section 101.009, Tax Code, is amended to read as follows:

(b) Cigarette tax revenue allocated under Section 154.603(b) [~~of this code~~] shall be allocated as provided by Section 154.603, subject to Section 154.6035 [~~of this code~~]. Motor fuel tax revenue shall be allocated and deposited as provided by Subchapter F, Chapter 162 [~~of~~

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~~Chapter 153 of this code].~~

No equivalent provision.

SECTION 11. Subsection (g), Section 111.006, Tax Code, is amended to read as follows:

(g) Information made confidential by Subsection (a)(2) that relates to a taxpayer's responsibilities under Chapter 162 ~~[153]~~ may be examined by an official of another state or of the United States if:

(1)the official has information that would assist the comptroller in administering Chapter 162 ~~[153]~~;

(2)the comptroller is conducting or may conduct an examination or a criminal investigation of the taxpayer that is the subject of the information made confidential by Subsection (a)(2); and

(3)a reciprocal agreement exists allowing the comptroller to examine information under the control of the official in a manner substantially equivalent to the official's access to information under this subsection.

No equivalent provision.

SECTION 12. Subsection (d), Section 111.060, Tax Code, is amended to read as follows:

(d) Subsection (c) does not apply to the taxes imposed by Chapters 152 and 211 or under an agreement made under Section 162.003 ~~[153.017]~~.

No equivalent provision.

SECTION 13. Subsection (d), Section 111.064, Tax Code, is amended to read as follows:

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(d) This section does not apply to an amount paid to the comptroller under Title 6, Property Code, or under an agreement made under Section 162.003, ~~[153.017]~~.

No equivalent provision.

SECTION 14. Subsection (a), Section 111.107, Tax Code, is amended to read as follows:

(a) Except as otherwise expressly provided, a person may request a refund or a credit or the comptroller may make a refund or issue a credit for the overpayment of a tax imposed by this title at any time before the expiration of the period during which the comptroller may assess a deficiency for the tax and not thereafter unless the refund or credit is requested:

(1) under Subchapter B of Chapter 112 and the refund is made or the credit is issued under a court order;

(2) under the provision of Section 111.104(c)(3) applicable to a refund claim filed after a jeopardy or deficiency determination becomes final; or

(3) under Chapter 162 ~~[153]~~, except Section 162.126(f) ~~[153.1195(e)]~~, 162.128(d) ~~[153.121(d)]~~, 162.228(f) ~~[153.2225(e)]~~, or 162.230(d) ~~[153.221(d)]~~.

No equivalent provision.

SECTION 15. Section 151.308, Tax Code, is amended to read as follows:

Sec. 151.308. ITEMS TAXED BY OTHER LAW. (a) The following are exempted from the taxes imposed by this chapter:

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- (1)oil as taxed by Chapter 202;
 - (2) sulphur as taxed by Chapter 203;
 - (3)motor fuels and special fuels as defined, taxed, or exempted by Chapter 162 [~~153~~];
 - (4)cement as taxed by Chapter 181;
 - (5)motor vehicles, trailers, and semi-trailers as defined, taxed, or exempted by Chapter 152, other than a mobile office as defined by Section 152.001(16);
 - (6)mixed beverages, ice, or nonalcoholic beverages and the preparation or service of these items if the receipts are taxable by Chapter 183;
 - (7)alcoholic beverages when sold to the holder of a private club registration permit or to the agent or employee of the holder of a private club registration permit if the holder or agent or employee is acting as the agent of the members of the club and if the beverages are to be served on the premises of the club;
 - (8)oil well service as taxed by Subchapter E, Chapter 191; and
 - (9) insurance premiums subject to gross premiums taxes.
- (b) Natural gas is exempted under Subsection (a)(3) only to the extent that the gas is taxed as a motor fuel under Chapter 162 [~~153~~].

No equivalent provision.

SECTION 16. Subdivisions (9), (19), (20), (29), (31), (42), (43), and (55), Section 162.001, Tax Code, are amended to read as follows:
(9) "Blending" means the mixing together of one or more [~~petroleum~~] products with other products [~~another~~

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~~product~~], regardless of the original character of the product blended, that produces a product that is offered for sale, sold, or used as a motor fuel or ~~[if the product obtained by the blending]~~ is capable of use as fuel ~~[in the generation of power]~~ for the propulsion of a motor vehicle. The term does not include mixing that occurs in the process of refining by the original refiner of crude petroleum or the commingling of products during transportation in a pipeline.

(19) "Diesel fuel" means kerosene or another liquid, or a combination of liquids blended together, offered for sale, sold, [that is suitable for or] used, or capable of use as fuel for the propulsion of a diesel-powered engine ~~[motor vehicles]~~. The term includes products commonly referred to as kerosene, light cycle oil, #1 diesel fuel, #2 diesel fuel, dyed or undyed diesel fuel, aviation jet fuel, bio-diesel, distillate fuel, cutter stock, or heating oil, but does not include gasoline, aviation gasoline, or liquefied gas.

(20) "Distributor" means a person who ~~acquires motor fuel from a licensed supplier, permissive supplier, or another licensed distributor and who~~ makes sales of motor fuel at wholesale. A distributor's [and whose] activities may also include sales of motor fuel at retail.

(29) "Gasoline" means any liquid or combination of liquids blended together, offered for sale, sold, ~~[or]~~ used, or capable of use as [the] fuel for the propulsion of a gasoline-powered engine. The term includes gasohol, aviation gasoline, and blending agents, but does not include racing gasoline, diesel fuel, aviation jet fuel, or liquefied gas.

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(31) "Gasoline blended fuel" means a mixture composed of gasoline and other liquids, including gasoline blend stocks, gasohol, ethanol, methanol, fuel grade alcohol, and resulting blends, other than a de minimus amount of a product such as carburetor detergent or oxidation inhibitor, that is offered for sale, sold., ~~[can be]~~ used, or is capable of use as fuel for a gasoline powered engine ~~[gasoline in a motor vehicle]~~.

(42) "Motor fuel" means gasoline, diesel fuel, liquefied gas, gasoline blended fuel., and other products that are offered for sale, sold., ~~[can be]~~ used, or are capable of use as fuel for the propulsion of ~~[to propel]~~ a motor vehicle.

(43) "Motor fuel transporter" means a person who transports gasoline, diesel fuel, ~~[or]~~ gasoline blended fuel, or any other motor fuel, except liquefied gas, outside the bulk transfer/terminal system by means of a transport vehicle, a railroad tank car, or a marine vessel.

The term does not include a person who:

(A) is licensed under this chapter as a supplier, permissive supplier, or distributor; and

(13) exclusively transports gasoline, diesel fuel, gasoline blended fuel, or any other motor fuel to which the person retains ownership while the fuel is being transported by the person.

(55) "Shipping document" means a delivery document issued ~~[by a terminal or bulk plant operator]~~ in conjunction with the sale, transfer, or transport ~~[removal]~~ of motor fuel ~~[from the terminal or bulk plant]~~. A shipping document issued by a terminal

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operator shall be machine printed. All other [A] shipping documents [document issued by a bulk plant] shall be typed or handwritten on a preprinted form or machine printed.

No equivalent provision.

SECTION 17. Section 162.004, Tax Code, is amended by amending Subsections (a) and (b) and adding Subsections (a-1) and (h) to read as follows:

(a)A person may not transport in this state any motor fuel by barge, vessel, railroad tank car, or transport vehicle unless the person has a shipping document for the motor fuel that complies with this section.

(a-1) A terminal operator or operator of a bulk plant shall give a shipping document to the person who operates the barge, vessel, railroad tank car, or transport vehicle into which motor fuel is loaded at the terminal rack or bulk plant rack.

(b) A [The] shipping document [issued by the terminal operator or operator of a bulk plant] shall contain the following information and any other information required by the comptroller:

(1) the terminal control number of the terminal or physical address of the bulk plant from which the motor fuel was received;

(2)the name [and license number] of the purchaser;

(3)the date the motor fuel was loaded;

(4)the net gallons loaded, or the gross gallons loaded if the fuel was purchased from a bulk plant;

(5)the destination state of the motor fuel, as represented

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by the purchaser of the motor fuel or the purchaser's agent; and

(6)a description of the product being transported.

(h) This section does not apply to motor fuel that is delivered into the fuel supply tank of a motor vehicle.

No equivalent provision.

SECTION 18. Subsections (a), (b), (d), and (e), Section 162.016, Tax Code, are amended to read as follows:

(a) A person may not import motor fuel to a destination in this state or export motor fuel to a destination outside this state by any means unless the person possesses a shipping document for that fuel [~~created by the terminal or bulk plant at which the fuel was received~~]. The shipping document must include:

(1) the name and physical address of the terminal or bulk plant from which the motor fuel was received for import or export;

(2) the name [~~and federal employer identification number, or the social security number if the employer identification number is not available,~~] of the carrier transporting the motor fuel;

(3) the date the motor fuel was loaded;

(4) the type of motor fuel;

(5) the number of gallons:

(A)in temperature-adjusted gallons if purchased from a terminal for export or import; or

(B)in temperature-adjusted gallons or in gross gallons if purchased from a bulk plant;

(6) the destination of the motor fuel as represented by the

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purchaser of the motor fuel and the number of gallons of the fuel to be delivered, if delivery is to only one state;

(7)the name~~[- federal employer identification number, license number,]~~ and physical address of the purchaser of the motor fuel;

(8)the name of the person responsible for paying the tax imposed by this chapter, as given to the terminal by the purchaser if different from the licensed supplier or distributor; [(tad]

(9)the destination state of each portion of a split load of motor fuel if the motor fuel is to be delivered to more than one state; and

(10)any other information that, in the opinion of the comptroller, is necessary for the proper administration of this chapter.

(b) The ~~[terminal or bulk plant shall provide the]~~ shipping documents shall be provided to the importer or exporter.

(d) A seller, transporter, or receiver of ~~[terminal, a bulk plant, the carrier, the licensed distributor or supplier, and the person that received the]~~ motor fuel shall:

(1)retain a copy of the shipping document until at least the fourth anniversary of the date the fuel is received; and

(2)provide a copy of the document to the comptroller or any law enforcement officer not later than the 10th working day after the date a request for the copy is received.

(e) An importer or exporter shall keep in the person's possession the shipping document ~~[issued by the~~

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~~terminal or plant~~] when transporting motor fuel imported into this state or for export from this state. The importer or exporter shall show the document to the comptroller or a peace officer on request. The comptroller may delegate authority to inspect the document to other governmental agencies. The importer or exporter shall provide a copy of the shipping document to the person that receives the fuel when it is delivered.

No equivalent provision.

SECTION 19. Subsections (a) through (e), Section 162.101, Tax Code, are amended to read as follows:

(a) A tax is imposed on the removal of gasoline from the terminal using the terminal rack, other than by bulk transfer. The supplier or permissive supplier is liable for and shall collect the tax imposed by this subchapter from the person who orders the withdrawal at the terminal rack.

(b) A tax is imposed at the time gasoline is imported into this state, other than by a bulk transfer, for delivery to a destination in this state. The supplier or permissive supplier is liable for and shall collect the tax imposed by this subchapter from the person who imports the gasoline into this state. If the seller is not a supplier or permissive supplier, then the person who imports the gasoline into this state is liable for and shall pay the tax.

(c) A tax is imposed on the removal [sale or transfer] of gasoline from [in] the bulk transfer/terminal system in this state [by a supplier to a person who does not hold a supplier's license]. The supplier is liable for and shall

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collect the tax imposed by this subchapter from the person who orders the removal from [~~sale or transfer in~~] the bulk transfer terminal system.

(d)A tax is imposed on gasoline brought into this state in a motor fuel supply tank or tanks of a motor vehicle operated by a person required to be licensed as an interstate trucker. The interstate trucker is liable for and shall pay the tax.

(e)A tax is imposed on the blending of gasoline at the point gasoline blended fuel is made in this state outside the bulk transfer/terminal system. The blender is liable for and shall pay the tax. The number of gallons of gasoline blended fuel on which the tax is imposed is equal to the difference between the number of gallons of blended fuel made and the number of gallons of previously taxed gasoline used to make the blended fuel.

No equivalent provision.

SECTION 20. Subsection (d), Section 162.103, Tax Code, is amended to read as follows:

(d) A person who sells gasoline in this state, other than by a bulk transfer, on which tax has not been paid for any purpose other than a purpose exempt under Section 162.104 shall at the time of sale collect the tax from the purchaser or recipient of gasoline in addition to the selling price and is liable to this state for the taxes imposed [~~collected at the time and~~] in the manner provided by this chapter.

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No equivalent provision.

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SECTION 21. Subsections (a) and (f), Section 162.104, Tax Code, are amended to read as follows:

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

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

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

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

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

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

Or

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

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

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subchapter;

(6) that is:

(A) aviation gasoline sold by a licensed supplier, permissive supplier, or distributor to another licensed supplier, permissive supplier, or distributor., provided that the aviation gasoline will be delivered solely into the fuel supply tanks of aircraft or aircraft servicing equipment;

(B) aviation gasoline or gasoline sold by a supplier, permissive supplier, or distributor into a storage facility of a licensed aviation fuel dealer; or

(C) ~~aviation gasoline or gasoline [delivered or sold into a storage facility or a licensed aviation fuel dealer from which gasoline will be delivered solely into the fuel supply tanks of aircraft or aircraft servicing equipment, or] sold from one licensed aviation fuel dealer to another licensed aviation fuel dealer [who will deliver the aviation fuel exclusively into the fuel supply tanks of aircraft or aircraft servicing equipment]; or~~

(7) exported to a foreign country if the bill of lading indicates the foreign destination and the fuel is actually exported to the foreign country.

(f) The exemption provided by Subsection (a)(4)(A) does not apply to a sale by a distributor, unless:

(1) the sale is to a licensed exporter;

(2) the supplier collects the destination state tax from the distributor.;

13) the distributor collects the destination state tax from

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the exporter; and
(4) the contract for the sale is signed before the gasoline
is removed from the terminal.

No equivalent provision.

SECTION 22. Subsections (b) and (c), Section 162.112, Tax Code, are amended to read as follows:
(b)A licensed supplier [ø] permissive supplier, or distributor who sells gasoline tax-free to a person whose supplier's., [ø] permissive supplier's, or aviation fuel dealer's license has been canceled or revoked under this chapter is liable for any tax due on gasoline sold after receiving notice of the cancellation or revocation.
(c)The comptroller shall notify all license holders under this chapter when a canceled or revoked license is subsequently reinstated and include in the notice the effective date of the reinstatement. Sales to the supplier, [ø] permissive supplier, or aviation fuel dealer after the effective date of the reinstatement may be made tax-free.

No equivalent provision.

SECTION 23. Section 162.115, Tax Code, is amended by adding Subsection (n) to read as follows:
(n) In addition to the records specifically required by this section, a license holder shall keep any other record required by the comptroller.

No equivalent provision.

SECTION 24. Subsection (a), Section 162.116, Tax Code, is amended to read as follows:

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(a) The monthly return and supplements of each supplier and permissive supplier shall contain for the period covered by the return:

~~(1) [the number of net gallons of gasoline received by the supplier or permissive supplier during the month, sorted by product code, seller, point of origin, destination state, carrier, and receipt date;]~~

~~[(2)] the number of net gallons of gasoline removed at a terminal rack during the month from the account of the supplier, sorted by product code, person receiving the gasoline, terminal code, and carrier;~~

~~(2) [(3)] the number of net gallons of gasoline removed during the month for export, sorted by product code, person receiving the gasoline, terminal code, destination state, and carrier;~~

~~(3) [(4)] the number of net gallons of gasoline removed during the month from a terminal located in another state for conveyance to this state, as indicated on the shipping document for the gasoline, sorted by product code, person receiving the gasoline, terminal code, and carrier;~~

~~(4) [(5)] the number of net gallons of gasoline the supplier or permissive supplier sold during the month in transactions exempt under Section 162.104, sorted by product code and [, carrier,] purchaser [, and terminal code;]~~

~~[(6) the number of net gallons of gasoline sold in the bulk transfer/terminal system in this state to any person not holding a supplier's or permissive supplier's license;]~~

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and
(5)(7) any other information required by the
comptroller.

No equivalent provision.

SECTION 25. Section 162.118, Tax Code, is amended to
read as follows:

Sec. 162.118. INFORMATION REQUIRED ON
DISTRIBUTOR'S RETURN. The monthly return and
supplements of each distributor shall contain for the
period covered by the return:

(1)the number of net gallons of gasoline received by the
distributor during the month, sorted by product code and
[;] seller[, ~~point of origin, destination state, carrier, and~~
~~receipt date~~];

(2)the number of net gallons of gasoline removed at a
terminal rack by the distributor during the month, sorted
by product code, seller, and terminal code[~~and carrier~~];

(3)the number of net gallons of gasoline removed by the
distributor
during the month for export, sorted by product code,
terminal code, bulk plant address, destination state, and
carrier;

(4)the number of net gallons of gasoline removed by the
distributor during the month from a terminal located in
another state for conveyance to this state, as indicated on
the shipping document for the gasoline, sorted by
product code, seller, terminal code, bulk plant address,
and carrier;

(5)the number of net gallons of gasoline the distributor

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sold during the month in transactions exempt under Section 162.104, sorted by product code and purchaser; and
(6)any other information required by the comptroller.

No equivalent provision.

SECTION 26. Section 162.125, Tax Code, is amended by adding Subsection (j) to read as follows:
(j) A license holder may take a credit on a return for the tax included in the retail purchase price of gasoline for the period in which the purchase occurred when made by one of the following purchasers, if the purchase was made by acceptance of a credit card not issued by the license holder, the credit card issuer did not collect the tax from the purchaser, and the license holder reimbursed the credit card issuer for the amount of tax included in the retail purchase price:
(1)the United States government for its exclusive use;
(2)a public school district in this state for the district's exclusive use;
(3)a commercial transportation company that provides public school transportation services to a public school district under Section 34.008, Education Code, for its exclusive use to provide those services.;
(4)a nonprofit electric cooperative corporation organized under Chapter 161, Utilities Code; and
(5)a nonprofit telephone cooperative corporation organized under Chapter 162, Utilities Code.

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No equivalent provision.

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SECTION 27. Subsection (d), Section 162.128, Tax Code, is amended to read as follows:

(d) A supplier., ~~[or]~~ permissive supplier, distributor, importer, exporter, or blender that determines taxes were erroneously reported and remitted or that paid more taxes than were due this state because of a mistake of fact or law may take a credit on the monthly tax report on which the error has occurred and tax payment made to the comptroller. The credit must be taken before the expiration of the applicable period of limitation as provided by Chapter 111.

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No equivalent provision.

SECTION 28. Subsections (a) through (e), Section 162.201, Tax Code, are amended to read as follows:

(a)A tax is imposed on the removal of diesel fuel from the terminal using the terminal rack other than by bulk transfer. The supplier or permissive supplier is liable for and shall collect the tax imposed by this subchapter from the person who orders the withdrawal at the terminal rack.

(b)A tax is imposed at the time diesel fuel is imported into this state, other than by a bulk transfer, for delivery to a destination in this state. The supplier or permissive supplier is liable for and shall collect the tax imposed by this subchapter from the person who imports the diesel fuel into this state. If the seller is not a supplier or permissive supplier, the person who imports the diesel fuel into this state is liable for and shall pay the tax.

(c)A tax is imposed on the removal ~~[sale or transfer]~~ of

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diesel fuel from ~~in~~ the bulk transfer/terminal system in this state ~~[by a supplier to a person who does not hold a supplier's license]~~. The supplier is liable for and shall collect the tax imposed by this subchapter from the person who orders the removal from ~~[sale or transfer in]~~ the bulk transfer/terminal system.

(d)A tax is imposed on diesel fuel brought into this state in the motor fuel supply tank or tanks of a motor vehicle operated by a person required to be licensed as an interstate trucker. The interstate trucker is liable for and shall pay the tax.

(e)A tax is imposed on the blending of diesel fuel at the point blended diesel fuel is made in this state outside the bulk transfer/terminal system. The blender is liable for and shall pay the tax. The number of gallons of blended diesel fuel on which the tax is imposed is equal to the difference between the number of gallons of blended fuel made and the number of gallons of previously taxed diesel fuel used to make the blended fuel.

No equivalent provision.

SECTION 29. Subsection (d), Section 162.203, Tax Code, is amended to read as follows:

(d) A person who sells diesel fuel in this state, other than by a bulk transfer, on which tax has not been paid for any purpose other than a purpose exempt under Section 162.204 shall at the time of sale collect the tax from the purchaser or recipient of diesel fuel in addition to the selling price and is liable to this state for the taxes

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imposed [~~collected at the time and~~] in the manner provided by this chapter.

No equivalent provision.

SECTION 30. Subsections (a) and (f), Section 162.204, Tax Code, are amended to read as follows:

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

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

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

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

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

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

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

(5) diesel fuel moved by truck or railcar between

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

(6) that is:

(A) aviation jet fuel sold by a licensed supplier, permissive supplier, or distributor to another licensed supplier, permissive supplier, or distributor., provided that the aviation jet fuel will be delivered solely into the fuel supply tanks of aircraft or aircraft servicing equipment;

(B) aviation jet fuel or diesel fuel sold by a supplier, permissive supplier, or distributor into a storage facility of a licensed aviation fuel dealer; or

(C) aviation jet fuel or diesel fuel ~~[diesel fuel delivered or sold into a storage facility of a licensed aviation fuel dealer from which the diesel fuel will be delivered solely into the fuel supply tanks of aircraft or aircraft servicing equipment, or]~~ sold from one licensed aviation fuel dealer to another licensed aviation fuel dealer ~~[who will deliver the diesel fuel exclusively into the fuel supply tanks of aircraft or aircraft servicing equipment];~~

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

(8) dyed diesel fuel sold or delivered by a supplier to another supplier and dyed diesel fuel sold or delivered by a supplier or distributor into the bulk storage facility of a dyed diesel fuel bonded user or to a purchaser who

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provides a signed statement as provided by Section 162.206;

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

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

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

(12) dyed kerosene when delivered by a supplier, distributor, or importer into a storage facility at a retail business from which all deliveries are exclusively for heating, cooking, lighting, or similar non-highway use;
or

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

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

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

(f) The exemption provided by Subsection (a)(4)(A) does

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not apply to a sale by a distributor, unless:

- (1)~~the sale is to a licensed exporter.~~
- (2)~~the supplier collects the destination state tax from the distributor;~~
- (3)~~the distributor collects the destination state tax from the exporter; and~~
- (4)~~the contract for the sale is signed before the diesel fuel is removed from the terminal.~~

No equivalent provision.

SECTION 31. Section 162.206, Tax Code, is amended by amending Subsection (c) and adding Subsections (c-1), (g-1), and (k) to read as follows:

(c) A person may not make a tax-free purchase and a licensed supplier or distributor may not make a tax-free sale to a purchaser of any dyed diesel fuel under this section using a signed statement for the first sale or purchase and for any subsequent sale or purchase

~~[(1) for the purchase or the sale of more than 7,400 gallons of dyed diesel fuel in a single delivery; or~~

~~[(2)] in a calendar month for [in which the person has previously purchased from all sources or in which the licensed supplier has previously sold to that purchaser] more than:~~

~~(1)[(A)] 10,000 gallons of dyed diesel fuel;~~

~~(2)[(B)] 25,000 gallons of dyed diesel fuel if the purchaser stipulates in the signed statement that all of the fuel will be consumed by the purchaser in the original production of, or to increase the production of, oil or gas and furnishes the supplier with a letter of exception~~

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issued by the comptroller; or

(3) [~~€~~] 25,000 gallons of dyed diesel fuel if the purchaser stipulates in the signed statement that all of the fuel will be consumed by the purchaser in agricultural off-highway equipment.

(c-1)The monthly limitations prescribed by Subsection (c) apply regardless of whether the dyed diesel fuel is purchased in a single transaction during that month or in multiple transactions during that month.

(g-1) For purposes of this section, the purchaser is considered to have temporarily furnished the signed statement to the licensed supplier or distributor if the supplier or distributor verifies that the purchaser has an end user number issued by the comptroller. The licensed supplier or distributor shall use the comptroller's Internet website or other materials provided or produced by the comptroller to verify this information until the purchaser provides to the supplier or distributor a completed signed statement.

(k) Properly completed signed statements should be in the possession of the licensed supplier or distributor at the time the sale of dyed diesel fuel occurs. If the licensed supplier or distributor is not in possession of the signed statements within 60 days after the date written notice requiring possession of them is given to the licensed supplier or distributor 12y the comptroller, exempt sales claimed by the licensed supplier or distributor that require delivery of the signed statements shall be disallowed. If the licensed supplier or distributor delivers the signed statements to the

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comptroller within the 60-day period, the comptroller may verify the reason or basis for the signed statements before allowing the exempt sales. An exempt sale may not be granted on the basis of signed statements delivered to the comptroller after the 60-day period.

No equivalent provision.

SECTION 32. Subsections (b) and (c), Section 162.213, Tax Code, are amended to read as follows:

(b)A licensed supplier or permissive supplier who sells diesel fuel tax-free to a supplier, ~~or~~ permissive supplier, or aviation fuel dealer whose license has been canceled or revoked under this chapter, or who sells dyed diesel fuel to a distributor or dyed diesel fuel bonded user whose license has been canceled or revoked under this chapter, is liable for any tax due on diesel fuel sold after receiving notice of the cancellation or revocation.

(c)The comptroller shall notify all license holders under this chapter when a canceled or revoked license is subsequently reinstated and include in the notice the effective date of the reinstatement. Sales to a supplier, permissive supplier, distributor, aviation fuel dealer, or dyed diesel fuel bonded user after the effective date of the reinstatement may be made tax-free.

No equivalent provision.

SECTION 33. Section 162.216, Tax Code, is amended by adding Subsection (o) to read as follows:

(o) In addition to the records specifically required by this section, a license holder shall keep any other record

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required by the comptroller.

No equivalent provision.

SECTION 34. Subsection (a), Section 162.217, Tax Code, is amended to read as follows:

(a) The monthly return and supplements of each supplier and permissive supplier shall contain for the period covered by the return:

(1) ~~[the number of net gallons of diesel fuel received by the supplier or permissive supplier during the month, sorted by product code, seller, point of origin, destination state, carrier, and receipt date;~~

[(2)] the number of net gallons of diesel fuel removed at a terminal rack during the month from the account of the supplier, sorted by product code, person receiving the diesel fuel, terminal code, and carrier;

(2)~~[(3)]~~ the number of net gallons of diesel fuel removed during the month for export, sorted by product code, person receiving the diesel fuel, terminal code, destination state, and carrier;

(3)~~[(4)]~~ the number of net gallons of diesel fuel removed during the month from a terminal located in another state for conveyance to this state, as indicated on the shipping document for the diesel fuel, sorted by product code, person receiving the diesel fuel, terminal code, and carrier;

(4)~~[(5)]~~ the number of net gallons of diesel fuel the supplier or permissive supplier sold during the month in transactions exempt under Section 162.204, sorted by

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product code and[~~,- carrier,~~] purchaser[~~,- and terminal code;~~]

~~[(6) the number of net gallons of diesel fuel sold in the bulk transfer/terminal system in this state to any person not holding a supplier's or permissive supplier's license];and~~

~~(5)[(7)]~~ any other information required by the comptroller.

No equivalent provision.

SECTION 35. Section 162.219, Tax Code, is amended to read as follows:

Sec. 162.219. INFORMATION REQUIRED ON DISTRIBUTOR'S RETURN. The monthly return and supplements of each distributor shall contain for the period covered by the return:

(1)the number of net gallons of diesel fuel received by the distributor during the month, sorted by product code and [~~;~~] seller[~~,- point of origin, destination state, carrier, and receipt date~~];

(2)the number of net gallons of diesel fuel removed at a terminal rack by the distributor during the month, sorted by product code, seller, and terminal code[~~,- and carrier~~];

(3)the number of net gallons of diesel fuel removed by the distributor during the month for export, sorted by product code, terminal code, bulk plant address, destination state, and carrier;

(4)the number of net gallons of diesel fuel removed by the distributor during the month from a terminal located

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in another state for conveyance to this state, as indicated on the shipping document for the diesel fuel, sorted by product code, seller, terminal code, bulk plant address, and carrier;

(5)the number of net gallons of diesel fuel the distributor sold during the month in transactions exempt under Section 162.204, sorted by product code and by the entity receiving the diesel fuel.

(6)the number of net gallons of[;] dyed diesel fuel sold to a purchaser under a signed statement[;] or dyed diesel fuel sold to a dyed diesel fuel bonded user, sorted by product code and by the entity receiving the diesel fuel; and sorted by product code and by the entity receiving the diesel fuel; and

(7)[(6)] any other information required by the comptroller.

No equivalent provision.

SECTION 36. Section 162.227, Tax Code, is amended by adding Subsections (c-2), (d-1), and (j) to read as follows:

(c-2) A license holder may take a credit on a return for the period in which the purchase occurred, and a person who does not hold a license may file a refund claim with the comptroller, if:

(1)the license holder or person paid tax on diesel fuel;

(2)the diesel fuel is used in this state by moveable specialized equipment used in oil field well servicing;
and

(3)the person who purchased the diesel fuel has received

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or is eligible to receive a federal diesel fuel tax refund under the Internal Revenue Code of 1986 for the diesel fuel used by moveable specialized equipment used in oil field well servicing.

(d-1) A license holder may take a credit on a return for the period in which the purchase occurred, and a person who does not hold a license may file a refund claim with the comptroller, if the license holder or person paid tax on diesel fuel and the diesel fuel is used in this state by auxiliary power units or power take-off equipment on any motor vehicle. If the quantity of that diesel fuel can be accurately measured while the motor vehicle is stationary by any metering or other measuring device or method designed to measure the fuel separately from fuel used to propel the motor vehicle, the comptroller may approve and adopt the use of the device as a basis for determining the quantity of diesel fuel consumed in those operations for a tax credit or tax refund. If there is no separate metering device or other approved measuring method, the license holder may take the credit and the person who does not hold a license may claim the refund on a percentage of the diesel fuel consumed by each motor vehicle equipped with an auxiliary power unit or power take-off equipment. The comptroller shall determine the percentage of the credit or refund. The climate-control air conditioning or heating system of a motor vehicle that has a primary purpose of providing for the convenience or comfort of the operator or passengers is not a power take-off system, and a credit or refund may not be

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allowed for the tax paid on any portion of the diesel fuel that is used for that purpose. A credit or refund may not be allowed for the diesel fuel tax paid on that portion of the diesel fuel that is used for idling.

(j) A license holder may take a credit on a return for the tax included in the retail purchase price of diesel fuel for the period in which the purchase occurred when made by one of the following purchasers, if the purchase was made by acceptance of a credit card not issued by the license holder, the credit card issuer did not collect the tax from the purchaser, and the license holder reimbursed the credit card issuer for the amount of tax included in the retail purchase price:

(1)the United States government for its exclusive use;

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

(3)a commercial transportation company that provides public school transportation services to a public school district under Section 34.008, Education Code, for its exclusive use to provide those services;.

(4)a nonprofit electric cooperative corporation organized under Chapter 161, Utilities Code; or

(5)a nonprofit telephone cooperative corporation organized under Chapter 162, Utilities Code.

No equivalent provision.

SECTION 37. Subsection (d), Section 162.230, Tax Code, is amended to read as follows:

(d) A supplier., [~~or~~] permissive supplier, distributor,

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importer, exporter, or blender that determines taxes were erroneously reported and remitted or that paid more taxes than were due to this state because of a mistake of fact or law may take a credit on the monthly tax report on which the error has occurred and tax payment made to the comptroller. The credit must be taken before the expiration of the applicable period of limitation as provided by Chapter 111.

No equivalent provision.

SECTION 38. Subsections (a) and (d), Section 162.402, Tax Code, are amended to read as follows:

(a) A person forfeits to the state a civil penalty of not less than \$25 and not more than \$200 if the person:

(1)refuses to stop and permit the inspection and examination of a motor vehicle transporting or using motor fuel on demand of a peace officer or the comptroller;

(2)operates a motor vehicle in this state without a valid interstate trucker's license or a trip permit when the person is required to hold one of those licenses or permits;

(3)operates a liquefied gas-propelled motor vehicle that is required to be licensed in this state, including motor vehicles equipped with dual carburetion, and does not display a current liquefied gas tax decal or multistate fuels tax agreement decal;

(4)makes a tax-free sale or delivery of liquefied gas into the fuel supply tank of a motor vehicle that does not display a current Texas liquefied gas tax decal;

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- (5)makes a taxable sale or delivery of liquefied gas without holding a valid dealer's license;
- (6)makes a tax-free sale or delivery of liquefied gas into the fuel supply tank of a motor vehicle bearing out-of-state license plates;
- (7)makes a delivery of liquefied gas into the fuel supply tank of a motor vehicle bearing Texas license plates and no Texas liquefied gas tax decal, unless licensed under a multistate fuels tax agreement;
- (8)transports gasoline or diesel fuel in any cargo tank that has a connection by pipe, tube, valve, or otherwise with the fuel injector or carburetor of, or with the fuel supply tank feeding the fuel injector or carburetor of, the motor vehicle transporting the product;
- (9)sells or delivers gasoline or diesel fuel from any fuel supply tank connected with the fuel injector or carburetor of a motor vehicle;
- (10)owns or operates a motor vehicle for which reports or mileage records are required by this chapter without an operating odometer or other device in good working condition to record accurately the miles traveled;
- (11)furnishes to a supplier a signed statement for purchasing diesel fuel tax-free and then uses the tax-free diesel fuel to operate a diesel-powered motor vehicle on a public highway;
- (12)fails or refuses to comply with or violates a provision of this chapter;
- (13)fails or refuses to comply with or violates a comptroller's rule for administering or enforcing this chapter; or

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(14)~~[is an importer who does not obtain an import verification number when required by this chapter; or~~
[(15)] purchases motor fuel for export, on which the tax imposed by this chapter has not been paid, and subsequently diverts or causes the motor fuel to be diverted to a destination in this state or any other state or country other than the originally designated state or country without first obtaining a diversion number.

(d) A person ~~[operating a bulk plant or terminal]~~ who issues a shipping document that does not conform with the requirements of Section 162.016(a) is liable to this state for a civil penalty of \$2,000 or five times the amount of the unpaid tax, whichever is greater, for each occurrence.

No equivalent provision.

SECTION 39. Section 162.403, Tax Code, is amended to read as follows:

Sec. 162.403. CRIMINAL OFFENSES. Except as provided by Section 162.404, a person commits an offense if the person:

(1)refuses to stop and permit the inspection and examination of a motor vehicle transporting or using motor fuel on the demand of a peace officer or the comptroller;

(2)is required to hold a valid trip permit or interstate trucker's license, but operates a motor vehicle in this state without a valid trip permit or interstate trucker's license;

(3)operates a liquefied gas-propelled motor vehicle that

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is required to be licensed in this state, including a motor vehicle equipped with dual carburetion, and does not display a current liquefied gas tax decal or multi-state fuels tax agreement decal;

(4) transports gasoline or diesel fuel in any cargo tank that has a connection by pipe, tube, valve, or otherwise with the fuel injector or carburetor or with the fuel supply tank feeding the fuel injector or carburetor of the motor vehicle transporting the product;

(5) sells or delivers gasoline or diesel fuel from a fuel supply tank that is connected with the fuel injector or carburetor of a motor vehicle;

(6) owns or operates a motor vehicle for which reports or mileage records are required by this chapter without an operating odometer or other device in good working condition to record accurately the miles traveled;

(7) sells or delivers dyed diesel fuel for the operation of a motor vehicle on a public highway;

(8) uses dyed diesel fuel for the operation of a motor vehicle on a public highway except as allowed under Section 162.235;

(9) makes a tax-free sale or delivery of liquefied gas into the fuel supply tank of a motor vehicle that does not display a current Texas liquefied gas tax decal;

(10) makes a sale or delivery of liquefied gas on which the person knows the tax is required to be collected, if at the time the sale is made the person does not hold a valid dealer's license;

(11) makes a tax-free sale or delivery of liquefied gas into the fuel supply tank of a motor vehicle bearing out-of-

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state license plates;

(12)makes a delivery of liquefied gas into the fuel supply tank of a motor vehicle bearing Texas license plates and no Texas liquefied gas tax decal, unless licensed under a multistate fuels tax agreement;

(13)refuses to permit the comptroller or the attorney general to inspect, examine, or audit a book or record required to be kept by a license holder, other user, or any person required to hold a license under this chapter;

(14)refuses to permit the comptroller or the attorney general to inspect or examine any plant, equipment, materials, or premises where motor fuel is produced, processed, blended, stored, sold, delivered, or used;

(15)refuses to permit the comptroller, the attorney general, an employee of either of those officials, a peace officer, an employee of the Texas Commission on Environmental Quality, or an employee of the Department of Agriculture to measure or gauge the contents of or take samples from a storage tank or container on premises where motor fuel is produced, processed, blended, stored, sold, delivered, or used;

(16)is a license holder, a person required to be licensed, or another user and fails or refuses to make or deliver to the comptroller a report required by this chapter to be made and delivered to the comptroller;

(17)[~~is an importer who does not obtain an import verification number when required by this chapter;~~

[(18)] purchases motor fuel for export, on which the tax imposed by this chapter has not been paid, and subsequently diverts or causes the motor fuel to be

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diverted to a destination in this state or any other state or country other than the originally designated state or country without first obtaining a diversion number;

(18)~~(19)~~ conceals motor fuel with the intent of engaging in any conduct proscribed by this chapter or refuses to make sales of motor fuel on the volume-corrected basis prescribed by this chapter;

(19)~~(20)~~ refuses, while transporting motor fuel, to stop the motor vehicle the person is operating when called on to do so by a person authorized to stop the motor vehicle;

(20)~~(21)~~ refuses to surrender a motor vehicle and cargo for impoundment after being ordered to do so by a person authorized to impound the motor vehicle and cargo;

(21)~~(22)~~ mutilates, destroys, or secretes a book or record required by this chapter to be kept by a license holder, other user, or person required to hold a license under this chapter;

(22)~~(23)~~ is a license holder, other user, or other person required to hold a license under this chapter, or the agent or employee of one of those persons, and makes a false entry or fails to make an entry in the books and records required under this chapter to be made by the person or fails to retain a document as required by this chapter;

(23)~~(24)~~ transports in any manner motor fuel under a false cargo manifest or shipping document, or transports in any manner motor fuel to a location without delivering at the same time a shipping document relating to that shipment;

(24)~~(25)~~ engages in a motor fuel transaction that

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requires that the person have a license under this chapter without then and there holding the required license;

(25)~~(26)~~ makes and delivers to the comptroller a report required under this chapter to be made and delivered to the comptroller, if the report contains false information;

(26)~~(27)~~ forges, falsifies, or alters an invoice prescribed by law;

(27)~~(28)~~ makes any statement, knowing said statement to be false, in a claim for a tax refund filed with the comptroller;

(28)~~(29)~~ furnishes to a supplier a signed statement for purchasing diesel fuel tax-free and then uses the tax-free diesel fuel to operate a diesel-powered motor vehicle on a public highway;

(29)~~(30)~~ holds an aviation fuel dealer's license and makes a taxable sale or use of any gasoline or diesel fuel;

(30) ~~(31)~~ fails to remit any tax funds collected by a license holder, another user, or any other person required to hold a license under this chapter;

(31) ~~(32)~~ makes a sale of dyed diesel fuel tax-free into a storage facility of a person who:

(A) is not licensed as a distributor, as an aviation fuel dealer, or as a dyed diesel fuel bonded user; or

(B) does not furnish to the licensed supplier or distributor a signed statement prescribed in Section 162.206;

(32) ~~(33)~~ makes a sale of gasoline tax-free to any person who is not licensed as an aviation fuel dealer;

(33) ~~(34)~~ is a dealer who purchases any motor fuel tax-free when not authorized to make a tax-free purchase under this chapter;

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(34) [~~(35)~~] is a dealer who purchases motor fuel with the intent to evade any tax imposed by this chapter or who accepts a delivery of motor fuel by any means and does not at the same time accept or receive a shipping document relating to the delivery;

(35) [~~(36)~~] transports motor fuel for which a cargo manifest or shipping document is required to be carried without possessing or exhibiting on demand by an officer authorized to make the demand a cargo manifest or shipping document containing the information required to be shown on the manifest or shipping document;

(36) [~~(37)~~] imports, sells, uses, blends, distributes, or stores motor fuel within this state on which the taxes imposed by this chapter are owed but have not been first paid to or reported by a license holder, another user, or any other person required to hold a license under this chapter;

(37) [~~(38)~~] blends products together to produce a blended fuel that is offered for sale, sold, or used and that expands the volume of the original product to evade paying applicable motor fuel taxes;

(38) [~~(39)~~] evades or attempts to evade in any manner a tax imposed on motor fuel by this chapter;

(39) makes a tax-free sale of motor fuel on which the taxes imposed by this chapter have not been previously paid by the seller:

(A) to a person who is not licensed to purchase tax-free motor fuel under this chapter; or

(B) in a transaction or for a purpose that is not exempt under this chapter.

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No equivalent provision.

SECTION 40. Subsections (c) and (d), Section 162.404, Tax Code, are amended to read as follows:

(c)The prohibition under Section 162.403(31) [~~162.403(32)~~] does not apply to the tax-free sale or distribution of diesel fuel authorized by Section 162.204(a)(1) [~~162.204(1)~~], (2), or (3).

(d)The prohibition under Section 162.403(32) [~~162.403(33)~~] does not apply to the tax-free sale or distribution of gasoline under Section 162.104(a)(1) [~~162.101(1)~~], (2), or (3).

No equivalent provision.

SECTION 41. Subsections (b) through (f), Section 162.405, Tax Code, are amended to read as follows:

(b)An offense under Section 162.403(9), (10), (11), (12), (13), (14), (15), (16), or (17) [~~or (18)~~] is a Class B misdemeanor.

(c)An offense under Section 162.403(18), (19), or [~~162.403(19),~~] (20) [~~or (21)~~] is a Class A misdemeanor.

(d)An offense under Section 162.403(7), (21), (22), (23), (24), (25), (26), (27), or (28) [~~or (29)~~] is a felony of the third degree.

(e)An offense under Section 162.403(29), (30) [~~162.103(30)~~], (31), (32), (33), (34), (35), (36), (37), (38), or (39) is a felony of the second degree.

(f)Violations of three or more separate offenses under Sections 162.403(21) [~~162.403(22)~~] through (28) [~~(29)~~] committed pursuant to one scheme or continuous

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course of conduct may be considered as one offense and punished as a felony of the second degree.

No equivalent provision.

SECTION 42. The heading to Section 162.409, Tax Code, is amended to read as follows:
Sec. 162.409. ISSUANCE OF BAD CHECK TO LICENSED DISTRIBUTOR.,. [~~OR~~] LICENSED SUPPLIER, OR PERMISSIVE SUPPLIER.

No equivalent provision.

SECTION 43. Subsections (a) and (d), Section 162.409, Tax Code, are amended to read as follows:
(a) A person commits an offense if:
(1) the person issues or passes a check or similar sight order for the payment of money knowing that the issuer does not have sufficient funds in or on deposit with the bank or other drawee for the payment in full of the check or order as well as all other checks or orders outstanding at the time of issuance;

(2)the payee on the check or order is a licensed distributor, [~~or~~] licensed supplier, or permissive supplier;
and
(3)the payment is for an obligation or debt that includes a tax under this chapter to be collected by the licensed distributor., [~~or~~] licensed supplier, or permissive supplier.
(d) A person who makes payment on an obligation or debt that includes a tax under this chapter and pays with

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an insufficient funds check issued to a licensed distributor ~~[or]~~ licensed supplier, or permissive supplier may be held liable for a penalty equal to the total amount of tax not paid to the licensed distributor, ~~[or]~~ licensed supplier, or permissive supplier.

No equivalent provision.

SECTION 44. Subchapter E, Chapter 162, Tax Code, is amended by adding Section 162.410 to read as follows:
Sec. 162.410. ELECTION OF OFFENSES. If a violation of a criminal offense provision of this chapter by a person constitutes another offense under the laws of this state, the state may elect the offense for which it will prosecute the person.

No equivalent provision.

SECTION 45. Article 12.01, Code of Criminal Procedure, is amended to read as follows:
Art. 12.01. FELONIES. Except as provided in Article 12.03, felony indictments may be presented within these limits, and not afterward:
(1) no limitation:
(A)murder and manslaughter;
(B)sexual assault, if during the investigation of the offense biological matter is collected and subjected to forensic DNA testing and the testing results show that the matter does not match the victim or any other person whose identity is readily ascertained; or
(C)an offense involving leaving the scene of an accident under Section 550.021, Transportation Code, if the

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accident resulted in the death of a person;
(2) ten years from the date of the commission of the offense:
(A) theft of any estate, real, personal or mixed, by an executor, administrator, guardian or trustee, with intent to defraud any creditor, heir, legatee, ward, distributee, beneficiary or settlor of a trust interested in such estate;
(B) theft by a public servant of government property over which he exercises control in his official capacity;
(C) forgery or the uttering, using or passing of forged instruments;
(D) injury to a child, elderly individual, or disabled individual punishable as a felony of the first degree under Section 22.04, Penal Code;
(E) sexual assault, except as provided by Subdivision (1) or (5); or
(F) arson;
(3) seven years from the date of the commission of the offense:
(A) misapplication of fiduciary property or property of a financial institution;
(B) securing execution of document by deception; or
(C) a violation under Sections 162.403(21)-(39) [~~162.403(22)-(39)~~], Tax Code;
(4) five years from the date of the commission of the offense:
(A) theft, burglary, robbery;
(B) kidnapping;
(C) injury to a child, elderly individual, or disabled individual that is not punishable as a felony of the first

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degree under Section 22.04, Penal Code;
(D)abandoning or endangering a child; or
(E)insurance fraud;
(5) ten years from the 18th birthday of the victim of the offense:
(A) indecency with a child under Section 21.11(a)(1) or (2), Penal Code; or
(B)except as provided by Subdivision (1), sexual assault under Section 22.011(a)(2), Penal Code, or aggravated sexual assault under Section 22.021(a) (1)(B), Penal Code; or
(6) three years from the date of the commission of the offense: all other felonies.

No equivalent provision.

SECTION 46. Subsections (b) and (d), Section 20.002, Transportation Code, are amended to read as follows:
(b) This section applies to a person, other than a political subdivision, who:
(1)owns, controls, operates, or manages a commercial motor vehicle; and
(2)is exempt from the state diesel fuel tax under Section 162.204 [~~153.203~~], Tax Code.
(d) The fee imposed by this section is equal to 25 percent of the diesel fuel tax rate imposed under Section 162.202 [~~153.202(b)~~], Tax Code.

No equivalent provision.

SECTION 47. Subsection (o), Section 26.3574, Water Code, is amended to read as follows:

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(o) Chapters 101 and 111-113, and Sections 162.005 [~~153.006~~], 162.007 [~~153.007~~], and 162.111 [~~153.116(b)~~ (~~†~~)], Tax Code, apply to the administration, payment, collection, and enforcement of fees under this section in the same manner that those chapters apply to the administration, payment, collection, and enforcement of taxes under Title 2, Tax Code.

No equivalent provision.

SECTION 48. Subdivision (34), Section 162.001, and Subsections (c) and (h), Section 162.016, Tax Code, are repealed.

No equivalent provision.

SECTION 49. Section 1(3), Chapter 1033, Acts of the 71st Legislature, Regular Session, 1989 (Article 8614, Vernon's Texas Civil Statutes), is amended to read as follows:
(3) "Motor fuel" has the meaning given that term by Section 162.001 [~~153.001~~], Tax Code.

No equivalent provision.

SECTION 50. (a) The change in law made by Sections 10 through 49 of this Act applies only to an offense committed on or after the effective date of this Act. For purposes of this section, an offense is committed before the effective date of this Act if any element of the offense occurs before that date.
(b) An offense committed before the effective date of this Act is governed by the law in effect when the

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offense was committed, and the former law is continued in effect for that purpose.

No equivalent provision.

SECTION 51. The change in law made by Sections 10 through 49 of this Act does not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

No equivalent provision.

SECTION 52. Sections 10 through 51 of this Act take effect September 1, 2007. Sections 1 through 9 of this Act take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, Sections 1 through 9 of this Act take effect September 1, 2007.