

BILL ANALYSIS

H.B. 387
By: Pena
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Volunteer fire departments (VFD) provide emergency services for large parts of the state's territory and population. VFDs frequently face financial constraints that can limit their ability to provide services and protect lives and property. The cost of fuel for emergency vehicles constitutes a significant expense for VFDs. Texas currently provides an exemption to the state motor fuels and diesel tax to the federal government and public school districts, but not VFDs.

H.B. 387 creates a motor fuel tax exemption for gasoline and diesel fuel sold to a volunteer fire department for the department's exclusive use, and authorizes an eligible department that paid tax on the purchase of gasoline or diesel fuel to file a claim with the comptroller of public accounts for a refund in the amount of the tax paid.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 387 amends the Tax Code to add an exemption from the gasoline tax and the diesel fuel tax on gasoline or diesel fuel, respectively, sold to a volunteer fire department in Texas for the department's exclusive use. The bill entitles an exempt volunteer fire department that paid tax on the purchase of gasoline or diesel fuel to a refund of the tax paid and allows the volunteer fire department to file a refund claim with the comptroller of public accounts for that amount.

EFFECTIVE DATE

July 1, 2009, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.