

BILL ANALYSIS

H.B. 1288
By: Hilderbran
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties assert that recent legislation had the inadvertent effect of eliminating the motor fuel tax credit associated with diesel-powered auxiliary equipment while retaining the rebate for gasoline-powered units, even though a motor fuel tax credit or refund has been historically allowed on all diesel fuel consumed in the operation of an auxiliary power unit or power take-off equipment. H.B. 1288 seeks to correct this possible oversight by expressly reinstating the tax credit or rebate for diesel-powered auxiliary power units or power take-off equipment.

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. 1288 amends the Tax Code to authorize a person required to hold a license for the purposes of engaging in certain activities related to diesel fuel to take a credit on a tax return for the period in which a purchase of diesel fuel occurred and to authorize a person who does not hold such a license to file a refund claim with the comptroller of public accounts, if the license holder or person paid tax on diesel fuel that is used in Texas by auxiliary power units or power take-off equipment on any motor vehicle. The bill authorizes the comptroller, 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, to 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. The bill authorizes the license holder and the unlicensed person, if there is no separate metering device or other approved measuring method, to respectively take the credit and 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 bill requires the comptroller to determine the percentage of the credit or refund.

H.B. 1288 clarifies that a motor vehicle's climate-control air conditioning or heating system 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 prohibits a credit or refund from being allowed for the tax paid on any portion of the diesel fuel that is used for that purpose. The bill prohibits a credit or refund from being allowed for the diesel fuel tax paid on that portion of the diesel fuel that is used for idling.

EFFECTIVE DATE

September 1, 2013.