

By: Harless

H.B. No. 3157

A BILL TO BE ENTITLED

AN ACT

relating to taxes and fees wholly or partly deposited to the credit of the state highway fund; increasing the rates of the gasoline and diesel fuel taxes, authorizing the increase or decrease of those rates in subsequent years, and increasing motor vehicle registration fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. (a) Section 152.122, Tax Code, is amended to read as follows:

Sec. 152.122. ALLOCATION OF TAX. Subject to Section 152.1222, the ~~[The]~~ comptroller shall deposit the funds received under Section 152.121 ~~[of this code]~~ as follows:

(1) in the state fiscal year beginning September 1, 2014, 25 percent to the credit of the state highway fund and 75 percent ~~[1/4 to the credit of the foundation school fund, and~~

~~[(2) the remaining funds]~~ to the credit of the general revenue fund;

(2) in the state fiscal year beginning September 1, 2015, 30 percent to the credit of the state highway fund and 70 percent to the credit of the general revenue fund;

(3) in the state fiscal year beginning September 1, 2016, 35 percent to the credit of the state highway fund and 65 percent to the credit of the general revenue fund;

(4) in the state fiscal year beginning September 1,

1 2017, 40 percent to the credit of the state highway fund and 60
2 percent to the credit of the general revenue fund;

3 (5) in the state fiscal year beginning September 1,
4 2018, 45 percent to the credit of the state highway fund and 55
5 percent to the credit of the general revenue fund; and

6 (6) in state fiscal years beginning on or after
7 September 1, 2019, 50 percent to the credit of the state highway
8 fund and 50 percent to the credit of the general revenue fund.

9 (b) In addition to the substantive changes made by this
10 section, this section conforms Section 152.122, Tax Code, to the
11 method of allocating motor vehicle sales and use taxes in effect
12 before the effective date of this section. Section 11.04, Chapter 4
13 (S.B. 3), Acts of the 72nd Legislature, 1st Called Session, 1991,
14 enacted former Section 403.094(h), Government Code, which
15 abolished certain state fund dedications and resulted in the
16 abolition of the allocation to the foundation school fund effective
17 August 31, 1995.

18 SECTION 2. (a) Section 162.102, Tax Code, is amended to
19 read as follows:

20 Sec. 162.102. TAX RATE. The gasoline tax rate is 25 [~~20~~]
21 cents for each net gallon or fractional part on which the tax is
22 imposed under Section 162.101.

23 (b) Effective January 1, 2016, Section 162.102, Tax Code, is
24 amended to read as follows:

25 Sec. 162.102. TAX RATE. The gasoline tax rate is 30 [~~20~~]
26 cents for each net gallon or fractional part on which the tax is
27 imposed under Section 162.101.

SECTION 3. (a) Effective September 1, 2016, Subchapter B, Chapter 162, Tax Code, is amended by adding Section 162.1021 to read as follows:

Sec. 162.1021. ANNUAL RATE CHANGE ACCORDING TO HIGHWAY COST INDEX. (a) In this section:

(1) "Highway cost index" means the 12-month moving average of the price of materials and labor compiled by the Texas Department of Transportation and incorporated into state highway projects.

(2) "Highway cost index percentage change" means the percentage increase or decrease in the highway cost index of a given state fiscal year from the highway cost index of the preceding state fiscal year.

(b) Notwithstanding Section 162.102, on January 1 of each year, the rate of the gasoline tax imposed under this subchapter is increased or decreased by a percentage equal to the highway cost index percentage change for the preceding state fiscal year.

(c) Notwithstanding Subsection (b), the percentage increase or decrease may not result in an increase or decrease in the rate that exceeds one cent for each net gallon or fractional gallon of gasoline on which the tax is imposed under Section 162.101.

(d) Not later than December 1 of each year, the comptroller shall:

(1) compute the new tax rate as provided by this section;

(2) give the new tax rate to the secretary of state for publication in the Texas Register; and

1 (3) notify each license holder under this subchapter
2 of the applicable new tax rate.

3 (b) The comptroller shall compute the initial adjusted tax
4 rate as required by Section 162.1021(d), Tax Code, as added by this
5 section, not later than December 1, 2016. The adjusted rate takes
6 effect January 1, 2017.

7 SECTION 4. Effective January 1, 2017, Section 162.103(a),
8 Tax Code, is amended to read as follows:

9 (a) A backup tax is imposed at the rate prescribed by
10 Section 162.102 or 162.1021 on:

11 (1) a person who obtains a refund of tax on gasoline by
12 claiming the gasoline was used for an off-highway purpose, but
13 actually uses the gasoline to operate a motor vehicle on a public
14 highway;

15 (2) a person who operates a motor vehicle on a public
16 highway using gasoline on which tax has not been paid;

17 (3) a person who sells to the ultimate consumer
18 gasoline on which tax has not been paid and who knew or had reason to
19 know that the gasoline would be used for a taxable purpose; and

20 (4) a person, other than a person exempted under
21 Section 162.104, who acquires gasoline on which tax has not been
22 paid from any source in this state.

23 SECTION 5. (a) Section 162.202, Tax Code, is amended to read
24 as follows:

25 Sec. 162.202. TAX RATE. The diesel fuel tax rate is 25 [~~20~~]
26 cents for each net gallon or fractional part on which the tax is
27 imposed under Section 162.201.

(b) Effective January 1, 2016, Section 162.202, Tax Code, is amended to read as follows:

Sec. 162.202. TAX RATE. The diesel fuel tax rate is 30 [20] cents for each net gallon or fractional part on which the tax is imposed under Section 162.201.

SECTION 6. (a) Effective September 1, 2016, Subchapter C, Chapter 162, Tax Code, is amended by adding Section 162.2021 to read as follows:

Sec. 162.2021. ANNUAL RATE CHANGE ACCORDING TO HIGHWAY COST INDEX. (a) In this section:

(1) "Highway cost index" means the 12-month moving average of the price of materials and labor compiled by the Texas Department of Transportation and incorporated into state highway projects.

(2) "Highway cost index percentage change" means the percentage increase or decrease in the highway cost index of a given state fiscal year from the highway cost index of the preceding state fiscal year.

(b) Notwithstanding Section 162.202, on January 1 of each year, the rate of the diesel fuel tax imposed under this subchapter is increased or decreased by a percentage equal to the highway cost index percentage change for the preceding state fiscal year.

(c) Notwithstanding Subsection (b), the percentage increase or decrease may not result in an increase or decrease in the rate that exceeds one cent for each net gallon or fractional gallon of diesel fuel on which the tax is imposed under Section 162.201.

(d) Not later than December 1 of each year, the comptroller

1 shall:

2 (1) compute the new tax rate as provided by this
3 section;

4 (2) give the new tax rate to the secretary of state for
5 publication in the Texas Register; and

6 (3) notify each license holder under this subchapter
7 of the applicable new tax rate.

8 (b) The comptroller shall compute the initial adjusted tax
9 rate as required by Section 162.2021(d), Tax Code, as added by this
10 section, not later than December 1, 2016. The adjusted rate takes
11 effect January 1, 2017.

12 SECTION 7. Effective January 1, 2017, Section 162.203(a),
13 Tax Code, is amended to read as follows:

14 (a) A backup tax is imposed at the rate prescribed by
15 Section 162.202 or 162.2021 on:

16 (1) a person who obtains a refund of tax on diesel fuel
17 by claiming the diesel fuel was used for an off-highway purpose, but
18 actually uses the diesel fuel to operate a motor vehicle on a public
19 highway;

20 (2) a person who operates a motor vehicle on a public
21 highway using diesel fuel on which tax has not been paid;

22 (3) a person who sells to the ultimate consumer diesel
23 fuel on which a tax has not been paid and who knew or had reason to
24 know that the diesel fuel would be used for a taxable purpose; and

25 (4) a person, other than a person exempted under
26 Section 162.204, who acquires diesel fuel on which tax has not been
27 paid from any source in this state.

SECTION 8. Subchapter A, Chapter 222, Transportation Code, is amended by adding Section 222.0015 to read as follows:

Sec. 222.0015. USE OF CERTAIN MONEY IN STATE HIGHWAY FUND.

(a) This section applies only to the following money deposited to the credit of the state highway fund:

(1) all money deposited under Section 152.122, Tax Code;

(2) all proceeds from the collection of taxes imposed by Subchapter B, Chapter 162, Tax Code, attributable to the portion of the tax rate in excess of 20 cents for each net gallon or fractional part of gasoline on which the tax is imposed under Section 162.101, Tax Code;

(3) all proceeds from the collection of taxes imposed by Subchapter C, Chapter 162, Tax Code, attributable to the portion of the tax rate in excess of 20 cents for each net gallon or fractional part of diesel fuel on which the tax is imposed under Section 162.201, Tax Code; and

(4) all proceeds from the collection of registration fees under Sections 502.251, 502.252, 502.253, and 502.254 attributable to the portion of the applicable rates of those fees that exceed the rates in effect on August 31, 2013.

(b) Notwithstanding other law, including Sections 201.115, 222.001, and 222.003, money described by Subsection (a):

(1) may not be pledged for the repayment of bonds; and

(2) may be used only for acquiring rights-of-way and planning, designing, and constructing nontolled improvements to the state highway system.

SECTION 9. (a) Section 502.251, Transportation Code, is amended to read as follows:

Sec. 502.251. FEE: MOTORCYCLE OR MOPED. The fee for a registration year for registration of a motorcycle or moped is \$45 [~~\$30~~].

(b) Effective January 1, 2016, Section 502.251, Transportation Code, is amended to read as follows:

Sec. 502.251. FEE: MOTORCYCLE OR MOPED. The fee for a registration year for registration of a motorcycle or moped is \$60 [~~\$30~~].

SECTION 10. (a) Section 502.252(a), Transportation Code, is amended to read as follows:

(a) The fee for a registration year for registration of a vehicle with a gross weight of 6,000 pounds or less is \$75 [~~\$50.75~~], unless otherwise provided in this chapter.

(b) Effective January 1, 2016, Section 502.252(a), Transportation Code, is amended to read as follows:

(a) The fee for a registration year for registration of a vehicle with a gross weight of 6,000 pounds or less is \$100 [~~\$50.75~~], unless otherwise provided in this chapter.

SECTION 11. Effective January 1, 2015, Section 502.253, Transportation Code, is amended to read as follows:

Sec. 502.253. FEE: VEHICLES THAT WEIGH MORE THAN 6,000 POUNDS. The fee for a registration year for registration of a vehicle with a gross weight of more than 6,000 pounds is as follows unless otherwise provided in this chapter:

Weight Classification

Fee Schedule

1 in pounds

2 6,001-10,000 \$110 [~~\$54.00~~]

3 10,001-18,000 \$220 [~~\$110.00~~]

4 18,001-25,999 \$410 [~~\$205.00~~]

5 26,000-40,000 \$680 [~~\$340.00~~]

6 40,001-54,999 \$1,070 [~~\$535.00~~]

7 55,000-70,000 \$1,480 [~~\$740.00~~]

8 70,001-80,000 \$1,680 [~~\$840.00~~]

9 SECTION 12. Effective January 1, 2015, Section 502.254(a),
10 Transportation Code, is amended to read as follows:

11 (a) The fee for a registration year for registration of a
12 trailer, travel trailer, or semitrailer with a gross weight of
13 6,000 pounds or less is \$90 [~~\$45.00~~].

14 SECTION 13. This Act takes effect January 1, 2014, but only
15 if the constitutional amendment proposed by the 83rd Legislature,
16 Regular Session, 2013, limiting the permissible uses of the state
17 highway fund, including further limiting the use of additional tax
18 and fee revenue attributable to changes to certain state taxes and
19 fees, to increase revenue for nontolled public highway purposes is
20 approved by the voters. If that amendment is not approved by the
21 voters, this Act has no effect.