

1-1 By: Williams S.B. No. 1648
 1-2 (In the Senate - Filed March 8, 2013; March 20, 2013, read
 1-3 first time and referred to Committee on Finance; May 8, 2013,
 1-4 reported adversely, with favorable Committee Substitute by the
 1-5 following vote: Yeas 13, Nays 0; May 8, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Williams	X			
1-8 Hinojosa	X			
1-9 Deuell	X			
1-10 Duncan	X			
1-11 Eltife	X			
1-12 Estes	X			
1-13 Hegar	X			
1-14 Huffman	X			
1-15 Lucio	X			
1-16 Nelson	X			
1-17 Patrick	X			
1-18 Seliger			X	
1-19 West	X			
1-20 Whitmire			X	
1-21 Zaffirini	X			

1-23 COMMITTEE SUBSTITUTE FOR S.B. No. 1648 By: Lucio

1-24 A BILL TO BE ENTITLED
 1-25 AN ACT

1-26 relating to the motor fuel tax on compressed natural gas and
 1-27 liquefied natural gas; providing penalties.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. The legislature finds that:

1-30 (1) this Act does not impose a new tax;

1-31 (2) compressed natural gas and liquefied natural gas
 1-32 are currently taxed and this Act leaves the tax rate effectively
 1-33 unchanged;

1-34 (3) this Act provides a new collection mechanism for
 1-35 an existing tax; and

1-36 (4) this Act provides a more efficient method of tax
 1-37 administration for taxpayers and for this state.

1-38 SECTION 2. Section 162.001, Tax Code, is amended by
 1-39 amending Subdivisions (4), (16), (19), (29), (38), (39), (42), and
 1-40 (43) and adding Subdivisions (19-a), (24-a), (31-a), and (40-a) to
 1-41 read as follows:

1-42 (4) "Aviation fuel dealer" means a person who:

1-43 (A) is the operator of an aircraft servicing
 1-44 facility;

1-45 (B) delivers gasoline, ~~or~~ diesel fuel,
 1-46 compressed natural gas, or liquefied natural gas exclusively into
 1-47 the fuel supply tanks of aircraft or into equipment used solely for
 1-48 servicing aircraft and used exclusively off-highway; and

1-49 (C) does not use, sell, or distribute gasoline,
 1-50 ~~or~~ diesel fuel, compressed natural gas, or liquefied natural gas
 1-51 on which a fuel tax is required to be collected or paid to this
 1-52 state.

1-53 (16) "Compressed natural gas" means natural gas that
 1-54 has been compressed ~~[and dispensed into motor fuel storage~~
 1-55 ~~containers]~~ and is advertised, offered for sale, sold, suitable for
 1-56 use, or used as an engine motor fuel.

1-57 (19) "Diesel fuel" means kerosene or another liquid,
 1-58 or a combination of liquids blended together, offered for sale,
 1-59 sold, used, or capable of use as fuel for the propulsion of a
 1-60 diesel-powered engine. The term includes products commonly

2-1 referred to as kerosene, light cycle oil, #1 diesel fuel, #2 diesel
2-2 fuel, dyed or undyed diesel fuel, aviation jet fuel, renewable
2-3 diesel, biodiesel, distillate fuel, cutter stock, or heating oil,
2-4 but does not include compressed natural gas, liquefied natural gas,
2-5 gasoline, aviation gasoline, or liquefied gas.

2-6 (19-a) "Diesel gallon equivalent" means:
2-7 (A) 6.380 pounds of compressed natural gas; or
2-8 (B) 6.060 pounds of liquefied natural gas.

2-9 (24-a) "Fleet user" means a person who produces
2-10 compressed natural gas or liquefied natural gas or maintains
2-11 storage facilities for compressed natural gas or liquefied natural
2-12 gas and who delivers all or part of the fuel produced or stored into
2-13 the fuel supply tank of a motor vehicle.

2-14 (29) "Gasoline" means any liquid or combination of
2-15 liquids blended together, offered for sale, sold, used, or capable
2-16 of use as fuel for a gasoline-powered engine. The term includes
2-17 gasohol, aviation gasoline, and blending agents, but does not
2-18 include compressed natural gas, liquefied natural gas, racing
2-19 gasoline, diesel fuel, aviation jet fuel, or liquefied gas.

2-20 (31-a) "Gasoline gallon equivalent" means:
2-21 (A) 5.660 pounds of compressed natural gas; or
2-22 (B) 5.370 pounds of liquefied natural gas.

2-23 (38) "License holder" means a person licensed by the
2-24 comptroller under Section 162.105, 162.205, 162.304, 162.305, [~~or~~]
2-25 162.306, 162.357, or 162.358.

2-26 (39) "Liquefied gas" means all combustible gases that
2-27 exist in the gaseous state at 60 degrees Fahrenheit and at a
2-28 pressure of 14.7 pounds per square inch absolute, but does not
2-29 include compressed natural gas, liquefied natural gas, gasoline, or
2-30 diesel fuel.

2-31 (40-a) "Liquefied natural gas" mean natural gas that
2-32 has been cooled to a liquid state and is advertised, offered for
2-33 sale, sold, suitable for use, or used as an engine motor fuel.

2-34 (42) "Motor fuel" means gasoline, diesel fuel,
2-35 liquefied gas, gasoline blended fuel, compressed natural gas,
2-36 liquefied natural gas, and other products that are offered for
2-37 sale, sold, used, or capable of use as fuel for a gasoline-powered
2-38 engine or a diesel-powered engine.

2-39 (43) "Motor fuel transporter" means a person who
2-40 transports gasoline, diesel fuel, gasoline blended fuel, aviation
2-41 fuel, or any other motor fuel, except liquefied gas, compressed
2-42 natural gas, or liquefied natural gas, outside the bulk
2-43 transfer/terminal system by means of a transport vehicle, a
2-44 railroad tank car, or a marine vessel. The term does not include a
2-45 person who:

2-46 (A) is licensed under this chapter as a supplier,
2-47 permissive supplier, or distributor; and

2-48 (B) exclusively transports gasoline, diesel
2-49 fuel, gasoline blended fuel, aviation fuel, or any other motor fuel
2-50 to which the person retains ownership while the fuel is being
2-51 transported by the person.

2-52 SECTION 3. Subchapter D, Chapter 162, Tax Code, is amended
2-53 by adding Section 162.312 to read as follows:

2-54 Sec. 162.312. APPLICABILITY OF SUBCHAPTER TO CERTAIN PUBLIC
2-55 TRANSPORTATION PROVIDERS USING COMPRESSED NATURAL GAS OR LIQUEFIED
2-56 NATURAL GAS. (a) This section applies only to a person who:

2-57 (1) operates motor vehicles used to provide the
2-58 services of a transit company, including a metropolitan rapid
2-59 transit authority under Chapter 451, Transportation Code, or a
2-60 regional transportation authority under Chapter 452,
2-61 Transportation Code; and

2-62 (2) held a liquefied gas tax decal license on or before
2-63 August 31, 2013.

2-64 (b) Notwithstanding Subchapter D-1, a person to which this
2-65 section applies may:

2-66 (1) pay tax as provided by this subchapter on
2-67 compressed natural gas or liquefied natural gas delivered into the
2-68 fuel supply tank of all motor vehicles described by Subsection
2-69 (a)(1) from a refueling facility accessible only to motor vehicles

3-1 described by Subsection (a)(1); and
3-2 (2) operate those motor vehicles on the public
3-3 highways of this state using compressed natural gas or liquefied
3-4 natural gas described by Subdivision (1).

3-5 (c) This section does not apply to compressed natural gas or
3-6 liquefied natural gas delivered into the fuel supply tank of a motor
3-7 vehicle from a refueling facility accessible to motor vehicles
3-8 other than those described by Subsection (a)(1).

3-9 (d) In this subchapter, "liquefied gas" includes compressed
3-10 natural gas and liquefied natural gas with respect to the persons to
3-11 which this section applies.

3-12 (e) The comptroller shall adopt rules necessary to
3-13 implement this section.

3-14 SECTION 4. Chapter 162, Tax Code, is amended by adding
3-15 Subchapter D-1 to read as follows:

3-16 SUBCHAPTER D-1. COMPRESSED NATURAL GAS AND LIQUEFIED NATURAL GAS
3-17 TAX

3-18 Sec. 162.351. TAX IMPOSED; SALE OF FUEL DELIVERED INTO FUEL
3-19 SUPPLY TANK OF MOTOR VEHICLE. (a) A tax is imposed on the sale of
3-20 compressed natural gas or liquefied natural gas that is delivered
3-21 into the fuel supply tank of a motor vehicle in connection with a
3-22 sale of the compressed natural gas or liquefied natural gas.

3-23 (b) The dealer is liable for the tax imposed under this
3-24 section.

3-25 (c) The dealer shall add the amount of the tax to the selling
3-26 price so that the tax is paid by the purchaser. When the amount of
3-27 the tax is added:

- 3-28 (1) it becomes a part of the sales price;
- 3-29 (2) it is a debt of the purchaser to the dealer; and
- 3-30 (3) if unpaid, it is recoverable at law in the same
3-31 manner as the original sales price.

3-32 (d) The dealer shall provide to the purchaser an invoice or
3-33 receipt that states the rate and amount of tax added to the selling
3-34 price or indicates that no tax was added to the selling price.

3-35 Sec. 162.352. TAX IMPOSED; DELIVERY OF FUEL INTO FUEL
3-36 SUPPLY TANK OF MOTOR VEHICLE NOT IN CONNECTION WITH SALE. (a) A
3-37 tax is imposed on the delivery of compressed natural gas or
3-38 liquefied natural gas into the fuel supply tank of a motor vehicle
3-39 by a fleet user or other dealer not in connection with a sale of the
3-40 compressed natural gas or liquefied natural gas.

3-41 (b) The fleet user or other dealer is liable for the tax
3-42 imposed under this section.

3-43 Sec. 162.353. TAX RATE; UNIT OF MEASUREMENT. (a) The rate
3-44 of the tax under Sections 162.351 and 162.352 is 15 cents for each:

- 3-45 (1) gasoline gallon equivalent or fractional part of
3-46 compressed natural gas or liquefied natural gas; or
- 3-47 (2) diesel gallon equivalent or fractional part of
3-48 compressed natural gas or liquefied natural gas.

3-49 (b) The tax shall be imposed on an amount of compressed
3-50 natural gas or liquefied natural gas equal to a:

3-51 (1) diesel gallon equivalent of compressed natural
3-52 gas, as provided by Section 162.001(19-a)(A), if the natural gas
3-53 dispenser lists the price in diesel gallon equivalents and the
3-54 natural gas is supplied to the dispenser from a pipeline or other
3-55 nonliquefied source;

3-56 (2) diesel gallon equivalent of liquefied natural gas,
3-57 as provided by Section 162.001(19-a)(B), if the natural gas
3-58 dispenser lists the price in diesel gallon equivalents and the
3-59 natural gas is supplied to the dispenser from a liquefied source;

3-60 (3) gasoline gallon equivalent of compressed natural
3-61 gas, as provided by Section 162.001(31-a)(A), if the natural gas
3-62 dispenser lists the price in gasoline gallon equivalents and the
3-63 natural gas is supplied to the dispenser from a pipeline or other
3-64 nonliquefied source; or

3-65 (4) gasoline gallon equivalent of liquefied natural
3-66 gas, as provided by Section 162.001(31-a)(B), if the natural gas
3-67 dispenser lists the price in gasoline gallon equivalents and the
3-68 natural gas is supplied to the dispenser from a liquefied source.

3-69 Sec. 162.354. BACKUP TAX; LIABILITY. (a) A backup tax is

4-1 imposed at the rate prescribed by Section 162.353 on:

4-2 (1) a person who obtains a refund of tax on compressed
 4-3 natural gas or liquefied natural gas by claiming the fuel was used
 4-4 for an exempt purpose, but actually uses the fuel for a taxable
 4-5 purpose;

4-6 (2) a person who operates a motor vehicle on a public
 4-7 highway using compressed natural gas or liquefied natural gas on
 4-8 which tax has not been paid;

4-9 (3) a person who sells compressed natural gas or
 4-10 liquefied natural gas that is delivered into the fuel supply tank of
 4-11 a motor vehicle, on which tax was not paid, and who knew or had
 4-12 reason to know that the fuel would be used for a taxable purpose;
 4-13 and

4-14 (4) a person who delivers into the fuel supply tank of
 4-15 a motor vehicle compressed natural gas or liquefied natural gas on
 4-16 which tax was not paid and who knew or had reason to know that the
 4-17 fuel would be used for a taxable purpose.

4-18 (b) If the person who operates a motor vehicle described by
 4-19 Subsection (a)(2) is not the owner or lessee of the motor vehicle,
 4-20 both the owner or lessee and the operator are liable for the tax.

4-21 (c) The tax imposed under Subsection (a)(3) is also imposed
 4-22 on the ultimate consumer.

4-23 (d) The tax imposed under Subsection (a)(4) is also imposed
 4-24 on the operator of the motor vehicle or the motor vehicle's owner or
 4-25 lessee.

4-26 (e) The tax liability imposed by this section is in addition
 4-27 to any penalty imposed under this chapter.

4-28 Sec. 162.355. FUEL PRESUMED SUBJECT TO TAX. (a) All
 4-29 compressed natural gas and liquefied natural gas sold by a dealer
 4-30 and delivered into the fuel supply tank of a motor vehicle is
 4-31 presumed to be subject to tax, and the dealer is liable for the tax
 4-32 under Section 162.351(b) and in accordance with Section 162.012
 4-33 unless the dealer maintains adequate records to establish that the
 4-34 fuel was exempt from tax under Section 162.356.

4-35 (b) All compressed natural gas and liquefied natural gas
 4-36 delivered into the fuel supply tank of a motor vehicle by a fleet
 4-37 user or other dealer not in connection with a sale is presumed to be
 4-38 subject to tax, and the fleet user or other dealer is liable for the
 4-39 tax under Section 162.352(b) and in accordance with Section 162.012
 4-40 unless the fleet user or other dealer maintains adequate records to
 4-41 establish that the fuel was exempt from tax under Section 162.356.

4-42 Sec. 162.356. EXEMPTIONS. The tax imposed by this
 4-43 subchapter does not apply to compressed natural gas or liquefied
 4-44 natural gas delivered into the fuel supply tank of:

4-45 (1) a motor vehicle operated exclusively by the United
 4-46 States, provided that the exemption does not apply with respect to
 4-47 fuel delivered into the fuel supply tank of a motor vehicle of a
 4-48 person operating under a contract with the United States;

4-49 (2) a motor vehicle operated exclusively by a public
 4-50 school district in this state;

4-51 (3) a motor vehicle operated exclusively by a
 4-52 commercial transportation company or a metropolitan rapid transit
 4-53 authority operating under Chapter 451, Transportation Code, that
 4-54 provides public school transportation services to a school district
 4-55 under Section 34.008, Education Code, and that uses the fuel only to
 4-56 provide those services;

4-57 (4) a motor vehicle operated exclusively by a
 4-58 volunteer fire department in this state;

4-59 (5) a motor vehicle operated exclusively by a county
 4-60 in this state;

4-61 (6) a motor vehicle operated exclusively by a
 4-62 nonprofit electric cooperative corporation organized under Chapter
 4-63 161, Utilities Code;

4-64 (7) a motor vehicle operated exclusively by a
 4-65 nonprofit telephone cooperative corporation organized under
 4-66 Chapter 162, Utilities Code;

4-67 (8) a motor vehicle that is not registered for use on
 4-68 the public highways of this state and that is used exclusively
 4-69 off-highway; or

5-1 (9) off-highway equipment, a stationary engine, a
 5-2 motorboat, an aircraft, equipment used solely for servicing
 5-3 aircraft and used exclusively off-highway, a locomotive, or any
 5-4 device other than a motor vehicle operated or intended to be
 5-5 operated on the public highways.

5-6 Sec. 162.357. DEALER'S LICENSE. (a) A person may not sell
 5-7 compressed natural gas or liquefied natural gas that is delivered
 5-8 into the fuel supply tank of a motor vehicle and on which tax is
 5-9 imposed under Section 162.351 unless the person holds a compressed
 5-10 natural gas and liquefied natural gas dealer's license issued by
 5-11 the comptroller.

5-12 (b) A person may not deliver compressed natural gas or
 5-13 liquefied natural gas into the fuel supply tank of a motor vehicle
 5-14 not in connection with a sale and on which tax is imposed under
 5-15 Section 162.352, or otherwise conduct the activities of a fleet
 5-16 user, unless the person holds a compressed natural gas and
 5-17 liquefied natural gas dealer's license issued by the comptroller.

5-18 (c) A person may not conduct the activities of an aviation
 5-19 fuel dealer who delivers compressed natural gas or liquefied
 5-20 natural gas unless the person holds a compressed natural gas and
 5-21 liquefied natural gas dealer's license issued by the comptroller.

5-22 (d) A compressed natural gas and liquefied natural gas
 5-23 dealer's license is permanent and is valid during the period the
 5-24 license holder has in force and effect the required bond or security
 5-25 and furnishes timely reports and supplements as required, or until
 5-26 the license is surrendered by the license holder or canceled by the
 5-27 comptroller. The comptroller shall cancel a license under this
 5-28 subsection if the license holder has not reported a delivery of
 5-29 compressed natural gas or liquefied natural gas during the previous
 5-30 nine months.

5-31 (e) A compressed natural gas and liquefied natural gas
 5-32 dealer's license is not transferable.

5-33 Sec. 162.358. INTERSTATE TRUCKER'S LICENSE. (a) An
 5-34 interstate trucker's license authorizes a person who operates a
 5-35 motor vehicle described by Section 162.001(36) and fueled by
 5-36 compressed natural gas or liquefied natural gas to report and pay
 5-37 the tax and take a credit or claim a refund as provided by this
 5-38 subchapter.

5-39 (b) An interstate trucker's license is valid from the date
 5-40 of issuance until December 31 of each calendar year or until the
 5-41 license is surrendered by the license holder or canceled by the
 5-42 comptroller. The comptroller may renew an interstate trucker's
 5-43 license each calendar year if the license holder furnishes timely
 5-44 reports as required.

5-45 (c) An interstate trucker's license is not transferable.

5-46 Sec. 162.359. LICENSE APPLICATION PROCEDURE. An applicant
 5-47 for a license under this subchapter must file an application using a
 5-48 form adopted by the comptroller that contains:

5-49 (1) the name under which the applicant transacts or
 5-50 intends to transact business;

5-51 (2) the applicant's principal office, residence, or
 5-52 place of business in this state, or other location of the applicant;

5-53 (3) if the applicant is not an individual, the names of
 5-54 the principal officers of an applicant corporation, or the names of
 5-55 the members of an applicant partnership, and the office, street, or
 5-56 post office addresses of each; and

5-57 (4) other information required by the comptroller.

5-58 Sec. 162.360. ISSUANCE AND DISPLAY OF LICENSE. (a) If the
 5-59 comptroller approves a license application, the comptroller shall
 5-60 issue a license to the applicant. A license holder shall post the
 5-61 license in a conspicuous place or keep the license available for
 5-62 inspection at the license holder's principal place of business. A
 5-63 license holder shall keep a copy of the license at each place of
 5-64 business or other place of storage from which compressed natural
 5-65 gas or liquefied natural gas is sold or delivered.

5-66 (b) An interstate trucker's license holder shall reproduce
 5-67 the license and carry a photocopy with each motor vehicle being
 5-68 operated in or traveling to or from this state.

5-69 Sec. 162.361. BOND AND OTHER SECURITY FOR TAXES. (a) The

6-1 comptroller shall determine the amount of security required of a
6-2 dealer, taking into consideration the amount of tax that has or is
6-3 expected to become due from the person, any past history of the
6-4 person as a license holder under this chapter or its predecessor,
6-5 and the necessity to protect this state against the failure to pay
6-6 the tax as the tax becomes due.

6-7 (b) The comptroller may require a license holder to post a
6-8 bond if the comptroller determines it is necessary for the license
6-9 holder to post security to protect the revenues of this state. A
6-10 license holder must post a bond equal to two times the maximum
6-11 amount of tax that could accrue on compressed natural gas or
6-12 liquefied natural gas produced, purchased, acquired, sold, or
6-13 delivered during a reporting period. The minimum bond for a person
6-14 described by Section 162.357(a) is \$30,000. The comptroller shall
6-15 prescribe the minimum bond for a person described by Section
6-16 162.357(b) or (c) who is not described by Section 162.357(a). The
6-17 maximum bond is \$600,000 unless the comptroller believes there is
6-18 undue risk of loss of tax revenues, in which event the comptroller
6-19 may require one or more bonds or securities in a total amount
6-20 exceeding \$600,000.

6-21 (c) A license holder who has filed a bond or other security
6-22 under this subchapter is entitled, on request, to have the
6-23 comptroller return, refund, or release the bond or security if in
6-24 the judgment of the comptroller the person has for four consecutive
6-25 years continuously complied with the conditions of the bond or
6-26 other security filed under this subchapter. However, if the
6-27 comptroller determines that the revenues of this state would be
6-28 jeopardized by the return, refund, or release of the bond or
6-29 security, the comptroller may elect not to return, refund, or
6-30 release the bond or security and may reimpose a requirement of a
6-31 bond or other security as the comptroller determines necessary to
6-32 protect the revenues of this state.

6-33 (d) A bond must be a continuing instrument, must constitute
6-34 a new and separate obligation in the penal sum named in the bond for
6-35 each calendar year or portion of a year while the bond is in force,
6-36 and must remain in effect until the surety on the bond is released
6-37 and discharged.

6-38 (e) Instead of filing a surety bond, an applicant for a
6-39 license may substitute the following security:

6-40 (1) cash in the form of United States currency in an
6-41 amount equal to the required bond to be deposited in a suspense
6-42 account of the state treasury;

6-43 (2) an assignment to the comptroller of a certificate
6-44 of deposit in any bank or savings and loan association in this state
6-45 that is a member of the Federal Deposit Insurance Corporation in an
6-46 amount at least equal to the bond amount required; or

6-47 (3) an irrevocable letter of credit to the comptroller
6-48 from any bank or savings and loan association in this state that is
6-49 a member of the Federal Deposit Insurance Corporation in an amount
6-50 of credit at least equal to the bond amount required.

6-51 (f) If the amount of an existing bond becomes insufficient
6-52 or a security becomes unsatisfactory or unacceptable, the
6-53 comptroller may require the license holder to file a new or an
6-54 additional bond or security.

6-55 (g) A surety bond or other form of security may not be
6-56 released until the comptroller determines by examination or audit
6-57 that a tax, penalty, or interest liability does not exist. The
6-58 comptroller shall release the cash or securities not later than the
6-59 60th day after the date the comptroller determines that liability
6-60 does not exist.

6-61 (h) The comptroller may use the cash or certificate of
6-62 deposit security to satisfy a final determination of delinquent
6-63 liability or a judgment secured in any action by this state to
6-64 recover compressed natural gas or liquefied natural gas taxes,
6-65 costs, penalties, and interest found to be due to this state by a
6-66 person on whose behalf the cash or certificate of deposit security
6-67 was deposited.

6-68 (i) The comptroller shall release and discharge from
6-69 liability to this state a surety on a bond furnished by a license

7-1 holder on the 31st day after the date on which the surety files with
 7-2 the comptroller a written request to be released and discharged.
 7-3 The request does not relieve, release, or discharge the surety from
 7-4 a liability that already accrued or that accrues before the
 7-5 expiration of the 30-day period. The comptroller, promptly on
 7-6 receipt of the request, shall notify the license holder who
 7-7 furnished the bond, and unless the license holder, before the
 7-8 expiration date of the existing security, files with the
 7-9 comptroller a new bond with a surety company authorized to do
 7-10 business under the laws of this state, or other authorized
 7-11 security, in the amount required by this section, the comptroller
 7-12 shall cancel the license in the manner provided by this chapter.

7-13 (j) The comptroller shall immediately notify the issuer of a
 7-14 letter of credit of a final determination of the license holder's
 7-15 delinquent liability or a judgment secured in any action by this
 7-16 state to recover compressed natural gas or liquefied natural gas
 7-17 taxes, costs, penalties, and interest found to be due this state by
 7-18 a license holder on whose behalf the letter of credit was issued.
 7-19 The letter of credit allowed as security under this section must
 7-20 contain a statement that the issuer agrees to respond to the
 7-21 comptroller's notice of liability with amounts to satisfy the
 7-22 comptroller's delinquency claim against the license holder.

7-23 (k) A license holder may request an examination or audit to
 7-24 obtain release of the security when the license holder relinquishes
 7-25 the license or when the license holder wants to substitute one form
 7-26 of security for an existing one.

7-27 Sec. 162.362. RETURNS AND PAYMENTS; ALLOWANCES. (a) A
 7-28 licensed dealer, on or before the 25th day of the month following
 7-29 the end of each calendar quarter, shall file a report and remit the
 7-30 amount of tax due. A licensed dealer who has not made taxable
 7-31 deliveries during the reporting period shall file with the
 7-32 comptroller a report that includes those facts or that information.

7-33 (b) If a licensed dealer files a report and remits the tax
 7-34 due on or before the due date under Subsection (a), one percent of
 7-35 the tax due is allocated to the licensed dealer for the expense of
 7-36 collecting, accounting for, reporting, and timely remitting the
 7-37 taxes collected and for keeping the records. The licensed dealer
 7-38 shall deduct the allocated amount from the tax due when paying the
 7-39 tax to this state.

7-40 (c) A licensed interstate trucker, on or before the 25th day
 7-41 of the month following the end of each calendar quarter, shall file
 7-42 a report and remit the amount of tax due. A report shall be filed
 7-43 with the comptroller on forms provided for that purpose and must
 7-44 contain the number of miles traveled in this state, the number of
 7-45 miles traveled outside this state, and other information required
 7-46 by the comptroller. An interstate trucker who is required to file a
 7-47 report under this section and who has not made interstate trips or
 7-48 used compressed natural gas or liquefied natural gas in motor
 7-49 vehicles in this state during the reporting period shall file with
 7-50 the comptroller a report that includes those facts or that
 7-51 information.

7-52 (d) If a licensed interstate trucker files a report and
 7-53 remits the tax due on or before the due date under Subsection (c),
 7-54 one-half of one percent of the tax paid on compressed natural gas
 7-55 and liquefied natural gas used in this state by the interstate
 7-56 trucker is allocated to the interstate trucker for the expense of
 7-57 accounting for, reporting, and timely remitting the taxes due and
 7-58 for keeping the records. The licensed interstate trucker shall
 7-59 deduct the allocated amount from the tax due when paying the tax to
 7-60 this state. If the allocated amount exceeds the amount of tax due,
 7-61 the interstate trucker may file a refund claim with the
 7-62 comptroller.

7-63 Sec. 162.363. RECORDS. (a) A dealer shall keep a record
 7-64 showing:

7-65 (1) compressed natural gas and liquefied natural gas
 7-66 inventories at the first of each month;

7-67 (2) the amount of natural gas compressed by the dealer
 7-68 and the amount of natural gas liquefied by the dealer;

7-69 (3) all compressed natural gas and liquefied natural

- 8-1 gas purchased or received, showing the name of the seller and the
8-2 date of each purchase or receipt;
- 8-3 (4) all compressed natural gas and liquefied natural
8-4 gas sold and delivered into the fuel supply tank of a motor vehicle,
8-5 showing the date of the sale;
- 8-6 (5) all compressed natural gas and liquefied natural
8-7 gas sold but not delivered into the fuel supply tank of a motor
8-8 vehicle, showing the date of the sale;
- 8-9 (6) all compressed natural gas and liquefied natural
8-10 gas delivered into the fuel supply tank of a motor vehicle not in
8-11 connection with a sale, showing the date of the delivery;
- 8-12 (7) all compressed natural gas and liquefied natural
8-13 gas delivered into the fuel supply tank of a motor vehicle or other
8-14 equipment exempt from tax under Section 162.356 or sold to the
8-15 operator of a motor vehicle or owner of equipment exempt from tax
8-16 under Section 162.356, showing the name of the operator of the
8-17 vehicle or the owner of the equipment and the date of the delivery
8-18 or sale; and
- 8-19 (8) all compressed natural gas and liquefied natural
8-20 gas lost by fire, theft, or accident.
- 8-21 (b) An interstate trucker shall keep a record of:
- 8-22 (1) the total miles traveled in all states by all
8-23 vehicles traveling to or from this state and the total quantity of
8-24 compressed natural gas and liquefied natural gas consumed in those
8-25 vehicles; and
- 8-26 (2) the total miles traveled in this state and the
8-27 total quantity of compressed natural gas or liquefied natural gas
8-28 purchased and delivered into the fuel supply tanks of motor
8-29 vehicles in this state.
- 8-30 (c) The records required by this section must be kept until
8-31 the fourth anniversary of the date they are created and are open to
8-32 inspection at all times by the comptroller and the attorney
8-33 general.
- 8-34 (d) In addition to the records specifically required by this
8-35 subchapter, a license holder or a person required to hold a license
8-36 shall keep any other records required by the comptroller.
- 8-37 Sec. 162.364. DUTIES OF PERSONS HOLDING TAX PAYMENTS.
- 8-38 (a) A person who receives or collects tax under this subchapter
8-39 holds the amount received or collected in trust for the benefit of
8-40 this state and has a fiduciary duty to remit to the comptroller the
8-41 amount of tax received or collected.
- 8-42 (b) A dealer who receives a payment of tax under this
8-43 subchapter may not apply the payment of tax to a debt that the
8-44 person making the payment owes for compressed natural gas or
8-45 liquefied natural gas purchased from the dealer.
- 8-46 (c) A person required to receive or collect a tax under this
8-47 subchapter is liable for and shall pay the tax in the manner
8-48 provided by this subchapter.
- 8-49 Sec. 162.365. REFUND OR CREDIT FOR CERTAIN TAXES PAID.
- 8-50 (a) A license holder may take a credit on a return for the period
8-51 in which the purchase occurred, and a person who does not hold a
8-52 license under this subchapter may file a refund claim with the
8-53 comptroller if the license holder or person paid tax on compressed
8-54 natural gas or liquefied natural gas and the license holder or
8-55 person:
- 8-56 (1) is the United States government and the fuel was
8-57 delivered into the fuel supply tank of a motor vehicle operated
8-58 exclusively by the United States, provided that a credit or refund
8-59 is not allowed for fuel delivered into the fuel supply tank of a
8-60 motor vehicle operated by a person operating under a contract with
8-61 the United States;
- 8-62 (2) is a public school district in this state and the
8-63 fuel was delivered into the fuel supply tank of a motor vehicle
8-64 operated exclusively by the district;
- 8-65 (3) is a commercial transportation company that
8-66 provides public school transportation services to a school district
8-67 under Section 34.008, Education Code, and the fuel was delivered
8-68 into the fuel supply tank of a motor vehicle used to provide those
8-69 services;

9-1 (4) is a volunteer fire department in this state and
 9-2 the fuel was delivered into the fuel supply tank of a motor vehicle
 9-3 operated exclusively by the department;

9-4 (5) is a county in this state and the fuel was
 9-5 delivered into the fuel supply tank of a motor vehicle operated
 9-6 exclusively by the county;

9-7 (6) is a nonprofit electric cooperative corporation
 9-8 organized under Chapter 161, Utilities Code, and the fuel was
 9-9 delivered into the fuel supply tank of a motor vehicle operated
 9-10 exclusively by the electric cooperative;

9-11 (7) is a nonprofit telephone cooperative corporation
 9-12 organized under Chapter 162, Utilities Code, and the fuel was
 9-13 delivered into the fuel supply tank of a motor vehicle operated
 9-14 exclusively by the telephone cooperative;

9-15 (8) uses the fuel in off-highway equipment, in a
 9-16 stationary engine, in a motorboat, in an aircraft, in equipment
 9-17 used solely for servicing aircraft and used exclusively
 9-18 off-highway, in a locomotive, or for other nonhighway purposes and
 9-19 not in a motor vehicle operated or intended to be operated on the
 9-20 public highways; or

9-21 (9) uses the fuel in a motor vehicle that is operated
 9-22 exclusively off-highway, except for incidental travel on the public
 9-23 highways as determined by the comptroller, provided that a credit
 9-24 or refund may not be allowed for the portion used in the incidental
 9-25 highway travel.

9-26 (b) A licensed interstate trucker may take a credit on a
 9-27 return for the period in which the purchase occurred if the licensed
 9-28 interstate trucker paid tax on compressed natural gas or liquefied
 9-29 natural gas and uses the fuel outside this state in commercial
 9-30 vehicles operated under an interstate trucker license, provided
 9-31 that a credit taken under this subsection must be taken within the
 9-32 limitation period provided by Section 162.369.

9-33 (c) A transit company that paid tax on the purchase of
 9-34 compressed natural gas or liquefied natural gas may apply to the
 9-35 comptroller for and obtain a refund in an amount equal to one cent
 9-36 per gasoline gallon equivalent of compressed natural gas or diesel
 9-37 gallon equivalent of liquefied natural gas used in transit
 9-38 vehicles.

9-39 (d) The right to receive a refund or take a credit under this
 9-40 section is not assignable.

9-41 (e) The comptroller may adopt rules specifying procedures
 9-42 and requirements that must be followed to take a credit or receive a
 9-43 refund under this section.

9-44 Sec. 162.366. CREDIT FOR BAD DEBT OR NONPAYMENT. (a) A
 9-45 licensed dealer may take a credit on a return filed under this
 9-46 subchapter if:

9-47 (1) the dealer paid the taxes imposed by this
 9-48 subchapter on compressed natural gas or liquefied natural gas sold
 9-49 on account;

9-50 (2) the dealer determines that the account is
 9-51 uncollectible and worthless; and

9-52 (3) the account is written off as a bad debt on the
 9-53 dealer's accounting books.

9-54 (b) The return on which the credit is taken must state, if
 9-55 applicable, the name of the person whose account has been written
 9-56 off as a bad debt or who failed to remit the tax and any other
 9-57 information required by the comptroller. The amount of the credit
 9-58 that may be taken under Subsection (a) may be equal to but may not
 9-59 exceed the amount of taxes paid on the compressed natural gas or
 9-60 liquefied natural gas to which the written-off account applies.

9-61 (c) If, after a credit is taken under Subsection (a), the
 9-62 account on which the credit was based is paid, or if the comptroller
 9-63 otherwise determines that the credit was not authorized by
 9-64 Subsection (a), the dealer who took the credit shall pay the unpaid
 9-65 taxes plus a penalty of 10 percent of the amount of the unpaid taxes
 9-66 and interest at the rate provided by Section 111.060 beginning on
 9-67 the day the report showing the credit was filed and ending on the
 9-68 date the taxes and penalty are paid.

9-69 (d) This section does not apply to a sale of compressed

10-1 natural gas or liquefied natural gas for which payment is made
 10-2 through the use and acceptance of a credit card.

10-3 (e) A credit under this section must be taken at the time the
 10-4 account is written off as a bad debt, but may only be taken before
 10-5 the expiration of the applicable limitation period as provided by
 10-6 Chapter 111.

10-7 (f) The comptroller may take action against a person in
 10-8 relation to whom a dealer has taken a credit for collection of the
 10-9 tax owed and for penalty and interest as provided by Chapter 111.

10-10 Sec. 162.367. CLAIMS FOR REFUNDS. (a) A refund claim must
 10-11 be filed on a form provided by the comptroller, be supported by the
 10-12 original invoice issued by the dealer, and contain:

10-13 (1) the stamped or preprinted name and address of the
 10-14 dealer;

10-15 (2) the name of the purchaser or person who received
 10-16 the delivery of fuel;

10-17 (3) the date of delivery of the fuel;

10-18 (4) the date the invoice was issued, if different from
 10-19 the date of fuel delivery;

10-20 (5) the number of gasoline gallon equivalents of
 10-21 compressed natural gas or diesel gallon equivalents of liquefied
 10-22 natural gas delivered;

10-23 (6) the rate and amount of tax, separately stated from
 10-24 the selling price; and

10-25 (7) the type of vehicle or equipment into which the
 10-26 fuel is delivered.

10-27 (b) The purchaser or person who received the delivery of
 10-28 compressed natural gas or liquefied natural gas must obtain the
 10-29 original invoice from the dealer not later than the 30th day after
 10-30 the date the fuel is delivered. If the purchase or delivery of fuel
 10-31 is made through an automated method in which the purchase or
 10-32 delivery is automatically applied to the purchaser or recipient's
 10-33 account, one invoice may be issued at the time of billing that
 10-34 covers multiple purchases or deliveries made during a 30-day
 10-35 billing cycle.

10-36 (c) The comptroller shall pay a refund by warrant to a
 10-37 person who files a valid refund claim.

10-38 (d) A person who files a claim for a tax refund on compressed
 10-39 natural gas or liquefied natural gas used for a purpose for which a
 10-40 tax refund is not authorized or who files an invoice supporting a
 10-41 refund claim on which the date, figures, or any material
 10-42 information has been falsified or altered forfeits the person's
 10-43 right to the entire amount of the refund claim filed unless the
 10-44 claimant provides proof satisfactory to the comptroller that the
 10-45 incorrect refund claim filed was due to a clerical or mathematical
 10-46 calculation error.

10-47 (e) After examining the refund claim and before issuing a
 10-48 refund warrant, the comptroller shall deduct from the amount of the
 10-49 refund the one percent originally deducted by the dealer under
 10-50 Section 162.362(b).

10-51 Sec. 162.368. REFUND FOR CERTAIN METROPOLITAN RAPID TRANSIT
 10-52 AUTHORITIES. (a) Except as otherwise provided by this section, a
 10-53 metropolitan rapid transit authority operating under Chapter 451,
 10-54 Transportation Code, that is a party to a contract governed by
 10-55 Section 34.008, Education Code, is entitled to a refund of taxes
 10-56 paid under this subchapter for compressed natural gas or liquefied
 10-57 natural gas delivered into the fuel supply tank of a motor vehicle
 10-58 used to provide services under the contract and may file a refund
 10-59 claim with the comptroller for the amount of those taxes.

10-60 (b) The refund claim under Subsection (a) must contain
 10-61 information regarding:

10-62 (1) vehicle mileage;

10-63 (2) hours of service provided;

10-64 (3) fuel consumed;

10-65 (4) the total number of student passengers per route;

10-66 and

10-67 (5) the total number of non-student passengers per
 10-68 route.

10-69 (c) If in any month of a school year the number of

11-1 non-student passengers is greater than five percent of the total
 11-2 passengers for any single route under a contract governed by
 11-3 Section 34.008, Education Code, the metropolitan rapid transit
 11-4 authority is not entitled to a refund of taxes paid under this
 11-5 subchapter for the route for that month.

11-6 (d) A metropolitan rapid transit authority that requests a
 11-7 refund under this section shall maintain all supporting
 11-8 documentation relating to the refund until the sixth anniversary of
 11-9 the date of the request.

11-10 Sec. 162.369. WHEN COMPRESSED NATURAL GAS OR LIQUEFIED
 11-11 NATURAL GAS TAX REFUND OR CREDIT MAY BE FILED. (a) Except as
 11-12 otherwise provided by this section, a claim for a refund must be
 11-13 filed with the comptroller before the first anniversary of the
 11-14 first day of the calendar month following the purchase, use, or
 11-15 delivery of compressed natural gas or liquefied natural gas,
 11-16 whichever period expires latest.

11-17 (b) If the amount of credit that a licensed interstate
 11-18 trucker is entitled to take under Section 162.365(b) exceeds the
 11-19 amount of tax due on that reporting period, the excess credit amount
 11-20 may be claimed on any of three successive quarterly returns
 11-21 following the period in which the credit was established, or the
 11-22 licensed interstate trucker may seek a refund from the comptroller
 11-23 on or before the due date of the third successive quarterly return
 11-24 following the period in which the credit was established. A credit
 11-25 that is not claimed within the period prescribed by this subsection
 11-26 expires.

11-27 (c) If the comptroller assesses a dealer for a tax-free sale
 11-28 that is taxable, and the dealer subsequently collects the tax from
 11-29 the purchaser, the purchaser may file a refund claim before the
 11-30 first anniversary of the date the dealer's deficiency assessment
 11-31 becomes final if the purchaser used the fuel in an exempt manner.

11-32 (d) A dealer who determines taxes were erroneously reported
 11-33 and remitted or who paid more taxes than were due because of a
 11-34 mistake of fact or law may take a credit on the quarterly tax report
 11-35 on which the error occurred and the tax payment was made to the
 11-36 comptroller. The credit must be taken before the expiration of the
 11-37 applicable period of limitation as provided by Chapter 111.

11-38 SECTION 5. Subchapter F, Chapter 162, Tax Code, is amended
 11-39 by adding Section 162.506 to read as follows:

11-40 Sec. 162.506. ALLOCATION OF COMPRESSED NATURAL GAS AND
 11-41 LIQUEFIED NATURAL GAS TAX. On or before the fifth workday after the
 11-42 end of each month, the comptroller, after making deductions for
 11-43 refund purposes and for the administration and enforcement of this
 11-44 chapter, shall allocate the remainder of the taxes collected under
 11-45 Subchapter D-1 as follows:

11-46 (1) one-fourth of the taxes shall be deposited to the
 11-47 credit of the available school fund; and

11-48 (2) three-fourths of the taxes shall be deposited to
 11-49 the credit of the state highway fund.

11-50 SECTION 6. Subsection (a), Section 162.402, Tax Code, is
 11-51 amended to read as follows:

11-52 (a) A person forfeits to the state a civil penalty of not
 11-53 less than \$25 and not more than \$200 if the person:

11-54 (1) refuses to stop and permit the inspection and
 11-55 examination of a motor vehicle transporting or using motor fuel on
 11-56 demand of a peace officer or the comptroller;

11-57 (2) operates a motor vehicle in this state without a
 11-58 valid interstate trucker's license or a trip permit when the person
 11-59 is required to hold one of those licenses or permits;

11-60 (3) operates a liquefied gas-propelled motor vehicle
 11-61 that is required to be licensed in this state, including motor
 11-62 vehicles equipped with dual carburetion, and does not display a
 11-63 current liquefied gas tax decal or multistate fuels tax agreement
 11-64 decal;

11-65 (4) makes a tax-free sale or delivery of liquefied gas
 11-66 into the fuel supply tank of a motor vehicle that does not display a
 11-67 current Texas liquefied gas tax decal;

11-68 (5) makes a taxable sale or delivery of liquefied gas
 11-69 without holding a valid dealer's license;

- 12-1 (6) makes a tax-free sale or delivery of liquefied gas
 12-2 into the fuel supply tank of a motor vehicle bearing out-of-state
 12-3 license plates;
 12-4 (7) makes a delivery of liquefied gas into the fuel
 12-5 supply tank of a motor vehicle bearing Texas license plates and no
 12-6 Texas liquefied gas tax decal, unless licensed under a multistate
 12-7 fuels tax agreement;
 12-8 (8) transports gasoline or diesel fuel in any cargo
 12-9 tank that has a connection by pipe, tube, valve, or otherwise with
 12-10 the fuel injector or carburetor of, or with the fuel supply tank
 12-11 feeding the fuel injector or carburetor of, the motor vehicle
 12-12 transporting the product;
 12-13 (9) sells or delivers gasoline or diesel fuel from any
 12-14 fuel supply tank connected with the fuel injector or carburetor of a
 12-15 motor vehicle;
 12-16 (10) owns or operates a motor vehicle for which
 12-17 reports or mileage records are required by this chapter without an
 12-18 operating odometer or other device in good working condition to
 12-19 record accurately the miles traveled;
 12-20 (11) furnishes to a licensed supplier or distributor a
 12-21 signed statement for purchasing diesel fuel tax-free and then uses
 12-22 the tax-free diesel fuel to operate a diesel-powered motor vehicle
 12-23 on a public highway;
 12-24 (12) fails or refuses to comply with or violates a
 12-25 provision of this chapter;
 12-26 (13) fails or refuses to comply with or violates a
 12-27 comptroller's rule for administering or enforcing this chapter;
 12-28 (14) is an importer who does not obtain an import
 12-29 verification number when required by this chapter; [~~or~~]
 12-30 (15) purchases motor fuel for export, on which the tax
 12-31 imposed by this chapter has not been paid, and subsequently diverts
 12-32 or causes the motor fuel to be diverted to a destination in this
 12-33 state or any other state or country other than the originally
 12-34 designated state or country without first obtaining a diversion
 12-35 number;
 12-36 (16) delivers compressed natural gas or liquefied
 12-37 natural gas into the fuel supply tank of a motor vehicle and the
 12-38 person does not hold a valid compressed natural gas and liquefied
 12-39 natural gas dealer's license; or
 12-40 (17) makes a tax-free delivery of compressed natural
 12-41 gas or liquefied natural gas into the fuel supply tank of a motor
 12-42 vehicle, unless the delivery is exempt from tax under Section
 12-43 162.356.
 12-44 SECTION 7. Section 162.403, Tax Code, is amended to read as
 12-45 follows:
 12-46 Sec. 162.403. CRIMINAL OFFENSES. Except as provided by
 12-47 Section 162.404, a person commits an offense if the person:
 12-48 (1) refuses to stop and permit the inspection and
 12-49 examination of a motor vehicle transporting or using motor fuel on
 12-50 the demand of a peace officer or the comptroller;
 12-51 (2) is required to hold a valid trip permit or
 12-52 interstate trucker's license, but operates a motor vehicle in this
 12-53 state without a valid trip permit or interstate trucker's license;
 12-54 (3) operates a liquefied gas-propelled motor vehicle
 12-55 that is required to be licensed in this state, including a motor
 12-56 vehicle equipped with dual carburetion, and does not display a
 12-57 current liquefied gas tax decal or multistate fuels tax agreement
 12-58 decal;
 12-59 (4) transports gasoline or diesel fuel in any cargo
 12-60 tank that has a connection by pipe, tube, valve, or otherwise with
 12-61 the fuel injector or carburetor or with the fuel supply tank feeding
 12-62 the fuel injector or carburetor of the motor vehicle transporting
 12-63 the product;
 12-64 (5) sells or delivers gasoline or diesel fuel from a
 12-65 fuel supply tank that is connected with the fuel injector or
 12-66 carburetor of a motor vehicle;
 12-67 (6) owns or operates a motor vehicle for which reports
 12-68 or mileage records are required by this chapter without an
 12-69 operating odometer or other device in good working condition to

- 13-1 record accurately the miles traveled;
- 13-2 (7) sells or delivers dyed diesel fuel for the
13-3 operation of a motor vehicle on a public highway;
- 13-4 (8) uses dyed diesel fuel for the operation of a motor
13-5 vehicle on a public highway except as allowed under Section
13-6 162.235;
- 13-7 (9) makes a tax-free sale or delivery of liquefied gas
13-8 into the fuel supply tank of a motor vehicle that does not display a
13-9 current Texas liquefied gas tax decal;
- 13-10 (10) makes a sale or delivery of liquefied gas on which
13-11 the person knows the tax is required to be collected, if at the time
13-12 the sale is made the person does not hold a valid dealer's license;
- 13-13 (11) makes a tax-free sale or delivery of liquefied
13-14 gas into the fuel supply tank of a motor vehicle bearing
13-15 out-of-state license plates;
- 13-16 (12) makes a delivery of liquefied gas into the fuel
13-17 supply tank of a motor vehicle bearing Texas license plates and no
13-18 Texas liquefied gas tax decal, unless licensed under a multistate
13-19 fuels tax agreement;
- 13-20 (13) refuses to permit the comptroller or the attorney
13-21 general to inspect, examine, or audit a book or record required to
13-22 be kept by a license holder, other user, or any person required to
13-23 hold a license under this chapter;
- 13-24 (14) refuses to permit the comptroller or the attorney
13-25 general to inspect or examine any plant, equipment, materials, or
13-26 premises where motor fuel is produced, processed, blended, stored,
13-27 sold, delivered, or used;
- 13-28 (15) refuses to permit the comptroller, the attorney
13-29 general, an employee of either of those officials, a peace officer,
13-30 an employee of the Texas Commission on Environmental Quality, or an
13-31 employee of the Department of Agriculture to measure or gauge the
13-32 contents of or take samples from a storage tank or container on
13-33 premises where motor fuel is produced, processed, blended, stored,
13-34 sold, delivered, or used;
- 13-35 (16) is a license holder, a person required to be
13-36 licensed, or another user and fails or refuses to make or deliver to
13-37 the comptroller a report required by this chapter to be made and
13-38 delivered to the comptroller;
- 13-39 (17) is an importer who does not obtain an import
13-40 verification number when required by this chapter;
- 13-41 (18) purchases motor fuel for export, on which the tax
13-42 imposed by this chapter has not been paid, and subsequently diverts
13-43 or causes the motor fuel to be diverted to a destination in this
13-44 state or any other state or country other than the originally
13-45 designated state or country without first obtaining a diversion
13-46 number;
- 13-47 (19) conceals motor fuel with the intent of engaging
13-48 in any conduct proscribed by this chapter or refuses to make sales
13-49 of motor fuel on the volume-corrected basis prescribed by this
13-50 chapter;
- 13-51 (20) refuses, while transporting motor fuel, to stop
13-52 the motor vehicle the person is operating when called on to do so by
13-53 a person authorized to stop the motor vehicle;
- 13-54 (21) refuses to surrender a motor vehicle and cargo
13-55 for impoundment after being ordered to do so by a person authorized
13-56 to impound the motor vehicle and cargo;
- 13-57 (22) mutilates, destroys, or secretes a book or record
13-58 required by this chapter to be kept by a license holder, other user,
13-59 or person required to hold a license under this chapter;
- 13-60 (23) is a license holder, other user, or other person
13-61 required to hold a license under this chapter, or the agent or
13-62 employee of one of those persons, and makes a false entry or fails
13-63 to make an entry in the books and records required under this
13-64 chapter to be made by the person or fails to retain a document as
13-65 required by this chapter;
- 13-66 (24) transports in any manner motor fuel under a false
13-67 cargo manifest or shipping document, or transports in any manner
13-68 motor fuel to a location without delivering at the same time a
13-69 shipping document relating to that shipment;

- 14-1 (25) engages in a motor fuel transaction that requires
 14-2 that the person have a license under this chapter without then and
 14-3 there holding the required license;
- 14-4 (26) makes and delivers to the comptroller a report
 14-5 required under this chapter to be made and delivered to the
 14-6 comptroller, if the report contains false information;
- 14-7 (27) forges, falsifies, or alters an invoice or
 14-8 shipping document prescribed by law;
- 14-9 (28) makes any statement, knowing said statement to be
 14-10 false, in a claim for a tax refund filed with the comptroller;
- 14-11 (29) furnishes to a licensed supplier or distributor a
 14-12 signed statement for purchasing diesel fuel tax-free and then uses
 14-13 the tax-free diesel fuel to operate a diesel-powered motor vehicle
 14-14 on a public highway;
- 14-15 (30) holds an aviation fuel dealer's license and makes
 14-16 a taxable sale or use of any gasoline or diesel fuel;
- 14-17 (31) fails to remit any tax funds collected or
 14-18 required to be collected by a license holder, another user, or any
 14-19 other person required to hold a license under this chapter;
- 14-20 (32) makes a sale of dyed diesel fuel tax-free into a
 14-21 storage facility of a person who:
- 14-22 (A) is not licensed as a distributor, as an
 14-23 aviation fuel dealer, or as a dyed diesel fuel bonded user; or
- 14-24 (B) does not furnish to the licensed supplier or
 14-25 distributor a signed statement prescribed in Section 162.206;
- 14-26 (33) makes a sale of gasoline tax-free to any person
 14-27 who is not licensed as an aviation fuel dealer;
- 14-28 (34) purchases any motor fuel tax-free when not
 14-29 authorized to make a tax-free purchase under this chapter;
- 14-30 (35) purchases motor fuel with the intent to evade any
 14-31 tax imposed by this chapter or accepts a delivery of motor fuel by
 14-32 any means and does not at the same time accept or receive a shipping
 14-33 document relating to the delivery;
- 14-34 (36) transports motor fuel for which a cargo manifest
 14-35 or shipping document is required to be carried without possessing
 14-36 or exhibiting on demand by an officer authorized to make the demand
 14-37 a cargo manifest or shipping document containing the information
 14-38 required to be shown on the manifest or shipping document;
- 14-39 (37) imports, sells, uses, blends, distributes, or
 14-40 stores motor fuel within this state on which the taxes imposed by
 14-41 this chapter are owed but have not been first paid to or reported by
 14-42 a license holder, another user, or any other person required to hold
 14-43 a license under this chapter;
- 14-44 (38) blends products together to produce a blended
 14-45 fuel that is offered for sale, sold, or used and that expands the
 14-46 volume of the original product to evade paying applicable motor
 14-47 fuel taxes; ~~or~~
- 14-48 (39) evades or attempts to evade in any manner a tax
 14-49 imposed on motor fuel by this chapter;
- 14-50 (40) delivers compressed natural gas or liquefied
 14-51 natural gas into the fuel supply tank of a motor vehicle and the
 14-52 person does not hold a valid compressed natural gas and liquefied
 14-53 natural gas dealer's license; or
- 14-54 (41) makes a tax-free delivery of compressed natural
 14-55 gas or liquefied natural gas into the fuel supply tank of a motor
 14-56 vehicle, unless the delivery is exempt from tax under Section
 14-57 162.356.
- 14-58 SECTION 8. Subsection (b), Section 162.405, Tax Code, is
 14-59 amended to read as follows:
- 14-60 (b) An offense under Section 162.403(9), (10), (11), (12),
 14-61 (13), (14), (15), (16), (17), ~~or~~ (18), (40), or (41) is a Class B
 14-62 misdemeanor.
- 14-63 SECTION 9. As soon as practicable before, on, or after the
 14-64 effective date of this Act, the comptroller of public accounts
 14-65 shall:
- 14-66 (1) adopt any rules necessary to implement the changes
 14-67 in law made by this Act; and
- 14-68 (2) begin accepting applications for and issuing
 14-69 compressed natural gas and liquefied natural gas dealer's licenses

15-1 and interstate trucker's licenses under Sections 162.357 and
15-2 162.358, Tax Code, as added by this Act, that become effective on or
15-3 after the effective date of this Act.

15-4 SECTION 10. A person who holds a liquefied gas tax decal
15-5 license under Section 162.305, Tax Code, that is valid on or after
15-6 the effective date of this Act, for a vehicle fueled by compressed
15-7 natural gas or liquefied natural gas may, not later than December
15-8 31, 2013, apply to the comptroller of public accounts for and obtain
15-9 a pro rata refund of the unused portion of the advanced taxes paid
15-10 for the period after the effective date of this Act. The
15-11 comptroller shall provide application forms for refunds under this
15-12 section.

15-13 SECTION 11. The changes in law made by this Act do not
15-14 affect tax liability accruing before the effective date of this
15-15 Act. That liability continues in effect as if this Act had not been
15-16 enacted, and the former law is continued in effect for the
15-17 collection of taxes due and for civil and criminal enforcement of
15-18 the liability for those taxes.

15-19 SECTION 12. This Act takes effect September 1, 2013.

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