

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 16, 2013**

**TO:** Honorable Tommy Williams, Chair, Senate Committee on Finance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB145 by Williams (Relating to a credit or refund for diesel fuel taxes paid on diesel fuel used in this state by auxiliary power units or power take-off equipment.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB145, As Introduced: a negative impact of (\$4,282,000) through the biennium ending August 31, 2015.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$2,095,000)
2015	(\$2,187,000)
2016	(\$2,283,000)
2017	(\$2,360,000)
2018	(\$2,469,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Revenue Gain/(Loss) from <i>Available School Fund</i> <b>2</b>	Probable Revenue Gain/(Loss) from <i>State Highway Fund</i> <b>6</b>
2014	(\$2,095,000)	(\$6,285,000)
2015	(\$2,187,000)	(\$6,560,000)
2016	(\$2,283,000)	(\$6,848,000)
2017	(\$2,360,000)	(\$7,079,000)
2018	(\$2,469,000)	(\$7,406,000)

**Fiscal Analysis**

The bill would amend Chapter 162 of the Tax Code, regarding motor fuel taxes, to allow a credit or refund of diesel fuel tax paid on diesel fuel used for auxiliary power units or power take-off equipment on any motor vehicle.

The bill would take effect September 1, 2013.

## **Methodology**

House Bill 2458, 78th Legislature, Regular Session, 2003, repealed Chapter 153 of the Tax Code (Motor Fuel Taxes) and replaced it with Chapter 162, which became the new motor fuel taxes chapter.

Under former Chapter 153, specified entities could apply for a refund or take a credit for diesel fuel tax paid on diesel fuel used by auxiliary power units or power take-off equipment on any motor vehicle. This bill would reinstate the auxiliary power unit and power take-off deduction allowed under the former chapter by allowing a license holder to take a credit, and a non-license holder to file a refund claim, for the amount of diesel fuel tax paid on diesel fuel used by an auxiliary power unit or power take-off equipment on any motor vehicle.

The fiscal 2014 estimate was adjusted for the statutory lag in motor fuel tax remittances. The change in revenues was then subjected to the statutory allocation of diesel fuel tax revenues.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD, AG