

By: Isaac

H.B. No. 1361

A BILL TO BE ENTITLED

AN ACT

relating to an exemption for municipalities and this state from the compressed natural gas and liquefied natural gas tax.

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

SECTION 1. Section 162.356, Tax Code, is amended to read as follows:

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

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

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

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

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

(5) a motor vehicle operated exclusively by a county

1 in this state;

2 (5-a) a motor vehicle operated exclusively by a  
3 municipality in this state;

4 (5-b) a motor vehicle operated exclusively by this  
5 state;

6 (6) a motor vehicle operated exclusively by a  
7 nonprofit electric cooperative corporation organized under Chapter  
8 161, Utilities Code;

9 (7) a motor vehicle operated exclusively by a  
10 nonprofit telephone cooperative corporation organized under  
11 Chapter 162, Utilities Code;

12 (8) a motor vehicle that is not registered for use on  
13 the public highways of this state and that is used exclusively  
14 off-highway; or

15 (9) off-highway equipment, a stationary engine, a  
16 motorboat, an aircraft, equipment used solely for servicing  
17 aircraft and used exclusively off-highway, a locomotive, or any  
18 device other than a motor vehicle operated or intended to be  
19 operated on the public highways.

20 SECTION 2. Section 162.365(a), Tax Code, is amended to read  
21 as follows:

22 (a) A license holder may take a credit on a return for the  
23 period in which the purchase occurred, and a person who does not  
24 hold a license under this subchapter may file a refund claim with  
25 the comptroller if the license holder or person paid tax on  
26 compressed natural gas or liquefied natural gas and the license  
27 holder or person:

1           (1) is the United States government and the fuel was  
2 delivered into the fuel supply tank of a motor vehicle operated  
3 exclusively by the United States, provided that a credit or refund  
4 is not allowed for fuel delivered into the fuel supply tank of a  
5 motor vehicle operated by a person operating under a contract with  
6 the United States;

7           (2) is a public school district in this state and the  
8 fuel was delivered into the fuel supply tank of a motor vehicle  
9 operated exclusively by the district;

10           (3) is a commercial transportation company that  
11 provides public school transportation services to a school district  
12 under Section 34.008, Education Code, and the fuel was delivered  
13 into the fuel supply tank of a motor vehicle used to provide those  
14 services;

15           (4) is a volunteer fire department in this state and  
16 the fuel was delivered into the fuel supply tank of a motor vehicle  
17 operated exclusively by the department;

18           (5) is a county in this state and the fuel was  
19 delivered into the fuel supply tank of a motor vehicle operated  
20 exclusively by the county;

21           (5-a) is a municipality in this state and the fuel was  
22 delivered into the fuel supply tank of a motor vehicle operated  
23 exclusively by the municipality;

24           (5-b) is this state and the fuel was delivered into the  
25 fuel supply tank of a motor vehicle operated exclusively by this  
26 state;

27           (6) is a nonprofit electric cooperative corporation

1 organized under Chapter 161, Utilities Code, and the fuel was  
2 delivered into the fuel supply tank of a motor vehicle operated  
3 exclusively by the electric cooperative;

4 (7) is a nonprofit telephone cooperative corporation  
5 organized under Chapter 162, Utilities Code, and the fuel was  
6 delivered into the fuel supply tank of a motor vehicle operated  
7 exclusively by the telephone cooperative;

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

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

19 SECTION 3. The change in law made by this Act does not  
20 affect taxes imposed before the effective date of this Act, and the  
21 law in effect before the effective date of this Act is continued in  
22 effect for purposes of the liability for and collection of those  
23 taxes.

24 SECTION 4. This Act takes effect September 1, 2015.