

By: Bonnen of Galveston

H.B. No. 2731

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the exemption of nonprofit ambulance companies from
3 motor fuel taxes.

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

5 SECTION 1. Section 162.104(a), Tax Code, is amended to read
6 as follows:

7 (a) The tax imposed by this subchapter does not apply to
8 gasoline:

9 (1) sold to the United States for its exclusive use,
10 provided that the exemption does not apply with respect to fuel sold
11 or delivered to a person operating under a contract with the United
12 States;

13 (2) sold to a public school district in this state for
14 the district's exclusive use;

15 (3) sold to a commercial transportation company or a
16 metropolitan rapid transit authority operating under Chapter 451,
17 Transportation Code, that provides public school transportation
18 services to a school district under Section 34.008, Education Code,
19 and that uses the gasoline only to provide those services;

20 (4) exported by either a licensed supplier or a
21 licensed exporter from this state to any other state, provided
22 that:

23 (A) for gasoline in a situation described by
24 Subsection (d), the bill of lading indicates the destination state

1 and the supplier collects the destination state tax; or

2 (B) for gasoline in a situation described by
3 Subsection (e), the bill of lading indicates the destination state,
4 the gasoline is subsequently exported, and the exporter is licensed
5 in the destination state to pay that state's tax and has an
6 exporter's license issued under this subchapter;

7 (5) moved by truck or railcar between licensed
8 suppliers or licensed permissive suppliers and in which the
9 gasoline removed from the first terminal comes to rest in the second
10 terminal, provided that the removal from the second terminal rack
11 is subject to the tax imposed by this subchapter;

12 (6) delivered or sold into a storage facility of a
13 licensed aviation fuel dealer from which gasoline will be delivered
14 solely into the fuel supply tanks of aircraft or aircraft servicing
15 equipment, or sold from one licensed aviation fuel dealer to
16 another licensed aviation fuel dealer who will deliver the aviation
17 fuel exclusively into the fuel supply tanks of aircraft or aircraft
18 servicing equipment;

19 (7) exported to a foreign country if the bill of lading
20 indicates the foreign destination and the fuel is actually exported
21 to the foreign country; ~~or~~

22 (8) sold to a volunteer fire department in this state
23 for the department's exclusive use; or

24 (9) sold to a nonprofit entity that is organized for
25 the sole purpose of and engages exclusively in providing emergency
26 medical services and that uses the gasoline exclusively to provide
27 emergency medical services, including rescue and ambulance

1 services.

2 SECTION 2. Section 162.125, Tax Code, is amended by adding
3 Subsection (g-2) to read as follows:

4 (g-2) A nonprofit entity exempted under Section
5 162.104(a)(9) from the tax imposed under this subchapter that paid
6 tax on the purchase of gasoline is entitled to a refund of the tax
7 paid, and the entity may file a refund claim with the comptroller
8 for that amount.

9 SECTION 3. Section 162.204(a), Tax Code, is amended to read
10 as follows:

11 (a) The tax imposed by this subchapter does not apply to:

12 (1) diesel fuel sold to the United States for its
13 exclusive use, provided that the exemption does not apply to diesel
14 fuel sold or delivered to a person operating under a contract with
15 the United States;

16 (2) diesel fuel sold to a public school district in
17 this state for the district's exclusive use;

18 (3) diesel fuel sold to a commercial transportation
19 company or a metropolitan rapid transit authority operating under
20 Chapter 451, Transportation Code, that provides public school
21 transportation services to a school district under Section 34.008,
22 Education Code, and that uses the diesel fuel only to provide those
23 services;

24 (4) diesel fuel exported by either a licensed supplier
25 or a licensed exporter from this state to any other state, provided
26 that:

27 (A) for diesel fuel in a situation described by

1 Subsection (d), the bill of lading indicates the destination state
2 and the supplier collects the destination state tax; or

3 (B) for diesel fuel in a situation described by
4 Subsection (e), the bill of lading indicates the destination state,
5 the diesel fuel is subsequently exported, and the exporter is
6 licensed in the destination state to pay that state's tax and has an
7 exporter's license issued under this subchapter;

8 (5) diesel fuel moved by truck or railcar between
9 licensed suppliers or licensed permissive suppliers and in which
10 the diesel fuel removed from the first terminal comes to rest in the
11 second terminal, provided that the removal from the second terminal
12 rack is subject to the tax imposed by this subchapter;

13 (6) diesel fuel delivered or sold into a storage
14 facility of a licensed aviation fuel dealer from which the diesel
15 fuel will be delivered solely into the fuel supply tanks of aircraft
16 or aircraft servicing equipment, or sold from one licensed aviation
17 fuel dealer to another licensed aviation fuel dealer who will
18 deliver the diesel fuel exclusively into the fuel supply tanks of
19 aircraft or aircraft servicing equipment;

20 (7) diesel fuel exported to a foreign country if the
21 bill of lading indicates the foreign destination and the fuel is
22 actually exported to the foreign country;

23 (8) dyed diesel fuel sold or delivered by a supplier to
24 another supplier and dyed diesel fuel sold or delivered by a
25 supplier or distributor into the bulk storage facility of a dyed
26 diesel fuel bonded user or to a purchaser who provides a signed
27 statement as provided by Section [162.206](#);

1 (9) the volume of water, fuel ethanol, renewable
2 diesel, biodiesel, or mixtures thereof that are blended together
3 with taxable diesel fuel when the finished product sold or used is
4 clearly identified on the retail pump, storage tank, and sales
5 invoice as a combination of diesel fuel and water, fuel ethanol,
6 renewable diesel, biodiesel, or mixtures thereof;

7 (10) dyed diesel fuel sold by a supplier or permissive
8 supplier to a distributor, or by a distributor to another
9 distributor;

10 (11) dyed diesel fuel delivered by a license holder
11 into the fuel supply tanks of railway engines, motorboats, or
12 refrigeration units or other stationary equipment powered by a
13 separate motor from a separate fuel supply tank;

14 (12) dyed kerosene when delivered by a supplier,
15 distributor, or importer into a storage facility at a retail
16 business from which all deliveries are exclusively for heating,
17 cooking, lighting, or similar nonhighway use;

18 (13) diesel fuel used by a person, other than a
19 political subdivision, who owns, controls, operates, or manages a
20 commercial motor vehicle as defined by Section [548.001](#),
21 Transportation Code, if the fuel:

22 (A) is delivered exclusively into the fuel supply
23 tank of the commercial motor vehicle; and

24 (B) is used exclusively to transport passengers
25 for compensation or hire between points in this state on a fixed
26 route or schedule; ~~[or]~~

27 (14) diesel fuel sold to a volunteer fire department

1 in this state for the department's exclusive use; or

2 (15) diesel fuel sold to a nonprofit entity that is
3 organized for the sole purpose of and engages exclusively in
4 providing emergency medical services and that uses the diesel fuel
5 exclusively to provide emergency medical services, including
6 rescue and ambulance services.

7 SECTION 4. Section 162.227, Tax Code, is amended by adding
8 Subsection (f-2) to read as follows:

9 (f-2) A nonprofit entity exempted under Section
10 162.204(a)(15) from the tax imposed under this subchapter that paid
11 tax on the purchase of diesel fuel is entitled to a refund of the tax
12 paid, and the entity may file a refund claim with the comptroller
13 for that amount.

14 SECTION 5. Subchapter D, Chapter 162, Tax Code, is amended
15 by adding Section 162.3023 to read as follows:

16 Sec. 162.3023. NONPROFIT EMERGENCY MEDICAL SERVICES
17 EXEMPTION. (a) The tax imposed by this subchapter does not apply to
18 the sale of liquefied petroleum gas to a nonprofit entity that is
19 organized for the sole purpose of and engages exclusively in
20 providing emergency medical services and that uses the gas
21 exclusively to provide emergency medical services, including
22 rescue and ambulance services, or to the use of liquefied petroleum
23 gas by that entity for that purpose.

24 (b) A motor vehicle that uses liquefied petroleum gas, that
25 is owned by a nonprofit entity described by Subsection (a) and that
26 is used exclusively to provide emergency medical services,
27 including rescue and ambulance services, is not required to have a

1 liquefied gas tax decal or a special use liquefied gas tax decal.

2 SECTION 6. Section 162.356, Tax Code, is amended to read as
3 follows:

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

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

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

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

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

21 (5) a motor vehicle operated exclusively by a county
22 in this state;

23 (6) a motor vehicle operated exclusively by a
24 nonprofit electric cooperative corporation organized under Chapter
25 161, Utilities Code;

26 (7) a motor vehicle operated exclusively by a
27 nonprofit telephone cooperative corporation organized under

1 Chapter 162, Utilities Code;

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

5 (9) a motor vehicle operated exclusively by a
6 nonprofit entity that is organized for the sole purpose of and
7 engages exclusively in providing emergency medical services and
8 that uses the fuel exclusively to provide emergency medical
9 services, including rescue and ambulance services; or

10 (10) off-highway equipment, a stationary engine, a
11 motorboat, an aircraft, equipment used solely for servicing
12 aircraft and used exclusively off-highway, a locomotive, or any
13 device other than a motor vehicle operated or intended to be
14 operated on the public highways.

15 SECTION 7. Section 162.365(a), Tax Code, is amended to read
16 as follows:

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

23 (1) is the United States government and the fuel was
24 delivered into the fuel supply tank of a motor vehicle operated
25 exclusively by the United States, provided that a credit or refund
26 is not allowed for fuel delivered into the fuel supply tank of a
27 motor vehicle operated by a person operating under a contract with

1 the United States;

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

5 (3) is a commercial transportation company that
6 provides public school transportation services to a school district
7 under Section 34.008, Education Code, and the fuel was delivered
8 into the fuel supply tank of a motor vehicle used to provide those
9 services;

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

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

16 (6) is a nonprofit electric cooperative corporation
17 organized under Chapter 161, Utilities Code, and the fuel was
18 delivered into the fuel supply tank of a motor vehicle operated
19 exclusively by the electric cooperative;

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

24 (8) uses the fuel in off-highway equipment, in a
25 stationary engine, in a motorboat, in an aircraft, in equipment
26 used solely for servicing aircraft and used exclusively
27 off-highway, in a locomotive, or for other nonhighway purposes and

1 not in a motor vehicle operated or intended to be operated on the
2 public highways; ~~or~~

3 (9) uses the fuel in a motor vehicle that is operated
4 exclusively off-highway, except for incidental travel on the public
5 highways as determined by the comptroller, provided that a credit
6 or refund may not be allowed for the portion used in the incidental
7 highway travel; or

8 (10) is a nonprofit entity that is organized for the
9 sole purpose of and engages exclusively in providing emergency
10 medical services and the fuel was delivered into the fuel supply
11 tank of a motor vehicle operated exclusively by the nonprofit
12 entity to provide emergency medical services, including rescue and
13 ambulance services.

14 SECTION 8. The change in law made by this Act does not
15 affect tax liability accruing before the effective date of this
16 Act. That liability continues in effect as if this Act had not been
17 enacted, and the former law is continued in effect for the
18 collection of taxes due and for civil and criminal enforcement of
19 the liability for those taxes.

20 SECTION 9. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2015.