

By: Zaffirini

S.B. No. 1380

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the exemption of municipalities, certain metropolitan  
3 rapid transit authorities, and regional transit authorities from  
4 certain motor fuel taxes.

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

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

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

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

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

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

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

1           (5) a motor vehicle operated exclusively by a county  
2 in this state;

3           (6) a motor vehicle operated exclusively by a  
4 nonprofit electric cooperative corporation organized under Chapter  
5 161, Utilities Code;

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

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

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

17           (10) a motor vehicle operated exclusively by a  
18 metropolitan rapid transit authority operating under Chapter 451,  
19 Transportation Code, or a regional transportation authority  
20 operating under Chapter 452, Transportation Code; or

21           (11) a motor vehicle operated exclusively by a  
22 municipality in this state.

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

25           (a) A license holder may take a credit on a return for the  
26 period in which the purchase occurred, and a person who does not  
27 hold a license under this subchapter may file a refund claim with

1 the comptroller if the license holder or person paid tax on  
2 compressed natural gas or liquefied natural gas and the license  
3 holder or person:

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

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

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

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

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

24 (6) is a nonprofit electric cooperative corporation  
25 organized under Chapter 161, Utilities Code, and the fuel was  
26 delivered into the fuel supply tank of a motor vehicle operated  
27 exclusively by the electric cooperative;

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

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

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

16           (10) is a metropolitan rapid transit authority  
17 operating under Chapter 451, Transportation Code, or a regional  
18 transportation authority operating under Chapter 452,  
19 Transportation Code, and the fuel was delivered into the fuel  
20 supply tank of a motor vehicle operated exclusively by the  
21 authority; or

22           (11) is a municipality in this state and the fuel was  
23 delivered into the fuel supply tank of a motor vehicle operated  
24 exclusively by the municipality.

25           SECTION 3. Section 162.368, Tax Code, is repealed.

26           SECTION 4. The change in law made by this Act does not  
27 affect tax liability accruing before the effective date of this

1 Act. That liability continues in effect as if this Act had not been  
2 enacted, and the former law is continued in effect for the  
3 collection of taxes due and for civil and criminal enforcement of  
4 the liability for those taxes.

5 SECTION 5. This Act takes effect September 1, 2015.