

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 19, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2318 by Ashby (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 Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2318, As Engrossed: a negative impact of (\$4,326,000) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$2,038,000)
2017	(\$2,288,000)
2018	(\$2,341,000)
2019	(\$2,395,000)
2020	(\$2,451,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from Available School Fund 2	Probable Revenue Gain/(Loss) from State Highway Fund 6
2016	(\$2,038,000)	(\$6,114,000)
2017	(\$2,288,000)	(\$6,863,000)
2018	(\$2,341,000)	(\$7,022,000)
2019	(\$2,395,000)	(\$7,185,000)
2020	(\$2,451,000)	(\$7,352,000)

Fiscal Analysis

The bill would amend Chapter 162 of the Tax Code, regarding motor fuel taxes.

The bill would add new Subsection 162.227(d-1) 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, 2015.

Methodology

The bill would reinstate the auxiliary power unit and power take-off deduction allowed under the former Chapter 153 by allowing a diesel fuel tax license holder to take a credit, and allowing a person who does not hold a diesel fuel tax license 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.

An allowance was made for the additional amount of diesel fuel tax given as a credit or refunded under the provisions of this bill. The estimate for fiscal 2016 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 taxes.

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