

By: Perry

S.B. No. 420

A BILL TO BE ENTITLED

AN ACT

relating to a partial exemption for a county from taxes imposed on gasoline and diesel fuel purchased for the county's exclusive use.

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

SECTION 1. Section 162.104, Tax Code, is amended by adding Subsection (g) to read as follows:

(g) Subject to the limitation prescribed by this subsection, the tax imposed by this subchapter does not apply to gasoline sold to a county in this state for the county's exclusive use. The total amount of exemptions to which a county is entitled under this subsection and Section 162.204(h) combined may not exceed \$50,000 in a year. A county entitled to the exemption under this subsection must pay the tax imposed by this subchapter and may claim a refund of the amount of the tax paid in accordance with Section 162.125(g-3).

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

(g-3) A county that paid tax on the purchase of gasoline that is exempt from the tax under Section 162.104(g) is entitled to a refund of the tax paid, subject to the limitation prescribed by that section. The county may file a refund claim with the comptroller for the amount of tax paid.

SECTION 3. Section 162.204, Tax Code, is amended by adding Subsection (h) to read as follows:

1 (h) Subject to the limitation prescribed by this
2 subsection, the tax imposed by this subchapter does not apply to
3 diesel fuel sold to a county in this state for the county's
4 exclusive use. The total amount of exemptions to which a county is
5 entitled under this subsection and Section 162.104(g) combined may
6 not exceed \$50,000 in a year. A county entitled to the exemption
7 under this subsection must pay the tax imposed by this subchapter
8 and may claim a refund of the amount of the tax paid in accordance
9 with Section 162.227(f-3).

10 SECTION 4. Section 162.227, Tax Code, is amended by adding
11 Subsection (f-3) to read as follows:

12 (f-3) A county that paid tax on the purchase of diesel fuel
13 that is exempt from the tax under Section 162.204(h) is entitled to
14 a refund of the tax paid, subject to the limitation prescribed by
15 that section. The county may file a refund claim with the
16 comptroller for the amount of tax paid.

17 SECTION 5. The change in law made by this Act does not
18 affect tax liability accruing before the effective date of this
19 Act. That liability continues in effect as if this Act had not been
20 enacted, and the former law is continued in effect for the
21 collection of taxes due and for civil and criminal enforcement of
22 the liability for those taxes.

23 SECTION 6. This Act takes effect January 1, 2018.