

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 7, 2017

TO: Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB778 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 Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB778, As Introduced: a negative impact of (\$4,053,000) through the biennium ending August 31, 2019.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$1,925,000)
2019	(\$2,128,000)
2020	(\$2,157,000)
2021	(\$2,186,000)
2022	(\$2,216,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from Available School Fund 2	Probable Revenue (Loss) from State Highway Fund 6
2018	(\$1,925,000)	(\$5,776,000)
2019	(\$2,128,000)	(\$6,384,000)
2020	(\$2,157,000)	(\$6,471,000)
2021	(\$2,186,000)	(\$6,559,000)
2022	(\$2,216,000)	(\$6,648,000)

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, 2017.

Methodology

The bill would reinstate the auxiliary power unit and power take-off deduction, previously allowed under former Chapter 153, Texas Tax Code. The bill would allow a diesel fuel tax license holder to take a credit, and permit 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 2018 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 fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, SD