

BILL ANALYSIS

Senate Research Center
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H.B. 916
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Rural transit districts (RTDs) are typically the only means of public transportation for many people living in rural communities—primarily low-income, elderly, and disabled. As created by Chapter 458, Transportation Code, RTDs are funded through a combination of federal, state, and local funding. Currently, RTDs are not exempt from state fuel taxes—unlike many metropolitan transportation authorities and private charter bus lines. H.B. 916 would allow these districts to improve services and lower costs by providing eligible RTDs a sales tax exemption imposed in Section 162.104(a), Tax Code, on gasoline, diesel, liquefied petroleum and liquid natural gas.

H.B. 916 amends current law relating to the exemption of rural transit districts from motor fuel taxes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 162.104(a), Tax Code, to provide that the tax imposed by this subchapter (Gasoline Tax) does not apply to certain gasoline, including gasoline sold to a rural transit district created under Chapter 458 (Rural and Urban Transit Districts), Transportation Code, that uses the gasoline exclusively to provide public transportation.

SECTION 2. Amends Sections 162.125(a) and (g), Tax Code, as follows:

(a) Authorizes a license holder to take a credit on a return for the period in which the sale occurred if the license holder paid tax on the purchase of gasoline and subsequently resells the gasoline without collecting the tax to certain entities, including a rural transit district created under Chapter 458, Transportation Code, that uses the gasoline exclusively to provide public transportation. Makes nonsubstantive changes.

(g) Authorizes a transit company that paid tax on the purchase of gasoline, and is not otherwise entitled to a refund of that tax under this subchapter, to seek a refund with the comptroller of public accounts of the State of Texas (comptroller) in an amount equal to one cent per gallon for gasoline used in transit vehicles.

SECTION 3. Amends Subchapter B, Chapter 162, Tax Code, by adding Section 162.1276, as follows:

Sec. 162.1276. REFUND FOR CERTAIN RURAL TRANSIT DISTRICTS. (a) Entitles a rural transit district created under Chapter 458, Transportation Code, to a refund of taxes paid under this subchapter for gasoline used to provide public transportation and authorizes the district to file a refund claim with the comptroller for the amount of those taxes.

(b) Requires the refund claim under Subsection (a) to contain information regarding vehicle mileage, hours of service provided, and fuel consumed.

(c) Requires a rural transit district that requests a refund under this section to maintain all supporting documentation relating to the refund until the sixth anniversary of the date of the request.

SECTION 4. Amends Section 162.204(a), Tax Code, to provide that the tax imposed by this subchapter (Diesel Fuel Tax) does not apply to certain fuel, including diesel fuel sold to a rural transit district created under Chapter 458, Transportation Code, that uses the diesel fuel exclusively to provide public transportation.

SECTION 5. Amends Sections 162.227(a) and (f), Tax Code, as follows:

(a) Authorizes a license holder to take a credit on a return for the period in which the sale occurred if the license holder paid tax on the purchase of diesel fuel and subsequently resells the diesel fuel without collecting the tax to a certain entity, including a rural transit district created under Chapter 458, Transportation Code, that uses the diesel fuel exclusively to provide public transportation. Makes nonsubstantive changes.

(f) Authorizes a transit company who paid tax on the purchase of diesel fuel, and is not otherwise entitled to a refund of that tax under this subchapter, to seek a refund with the comptroller of one-half of one cent per gallon for diesel fuel used in transit vehicles.

SECTION 6. Amends Subchapter C, Chapter 162, Tax Code, is by adding Section 162.2276, as follows:

Sec. 162.2276. REFUND FOR CERTAIN RURAL TRANSIT DISTRICTS. (a) Entitles a rural transit district created under Chapter 458, Transportation Code, to a refund of taxes paid under this subchapter for diesel fuel used to provide public transportation and authorizes the district to file a refund claim with the comptroller for the amount of those taxes.

(b) Requires the refund claim under Subsection (a) to contain information regarding vehicle mileage, hours of service provided, and fuel consumed.

(c) Requires a rural transit district that requests a refund under this section to maintain all supporting documentation relating to the refund until the sixth anniversary of the date of the request.

SECTION 7. Amends Section 162.356(a), Tax Code, to provide that the tax imposed by this subchapter (Compressed Natural Gas and Liquefied Natural Gas Tax) does not apply to compressed natural gas or liquefied natural gas delivered into the fuel supply tank of a certain motor vehicle, including a motor vehicle operated exclusively by a rural transit district created under Chapter 458, Transportation Code, that uses the fuel exclusively to provide public transportation.

SECTION 8. Amends Subchapter D-1, Chapter 162, Tax Code, by adding Section 162.3685, as follows:

Sec. 162.3685. REFUND FOR CERTAIN RURAL TRANSIT DISTRICTS. (a) Entitles a rural transit district created under Chapter 458, Transportation Code, to a refund of taxes paid under this subchapter for compressed natural gas or liquefied natural gas delivered into the fuel supply tank of a motor vehicle used to provide public transportation and authorizes the district to file a refund claim with the comptroller for the amount of those taxes.

(b) Requires the refund claim under Subsection (a) to contain information regarding vehicle mileage, hours of service provided, and fuel consumed.

(c) Requires a rural transit district that requests a refund under this section to maintain all supporting documentation relating to the refund until the sixth anniversary of the date of the request.

SECTION 9. Provides that the changes in law made by this Act do not affect tax liability accruing before the effective date of this Act. Provides that liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 10. Effective date: upon passage or September 1, 2019.