86R8468 SMT-F

By:  Watson S.B. No. 1080

A BILL TO BE ENTITLED

AN ACT

relating to a county motor fuels tax in certain counties for mobility improvement projects; providing authority to impose the tax, issue bonds, and impose penalties.

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

SECTION 1.  Subtitle B, Title 14, Local Government Code, is amended by adding Chapter 616 to read as follows:

CHAPTER 616. COUNTY MOTOR FUELS TAX FOR MOBILITY IMPROVEMENT PROJECTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 616.001.  SHORT TITLE. This chapter may be cited as the Texas Local Option Transportation Act.

Sec. 616.002.  DEFINITIONS. In this chapter:

(1)  "Advanced rapid transit" means high-capacity transit provided wholly or partly in dedicated lanes with stations, off-vehicle fare collection, and branded vehicles connected using vehicle-to-vehicle or other technology controlled by an in-vehicle or remote driver or autonomous technology.

(2)  "Dealer," "diesel fuel," "gasoline," "motor fuel," "motor vehicle," "public highway," and "sale" have the meanings assigned by Section 162.001, Tax Code.

(3)  "Department" means the Texas Department of Transportation.

(4)  "Intermodal hub" and "transit system" have the meanings assigned by Section 370.003, Transportation Code.

(5)  "Metropolitan planning organization" has the meaning assigned by Section 472.031, Transportation Code.

(6)  "Mobility improvement project" means a capital improvement or set of related capital improvements in a geographic area, including maintenance and operation of the improvements, designed to relieve traffic congestion, increase mobility and the movement of traffic or individuals, expand transportation capacity, promote traffic or pedestrian safety, or improve air quality. The term includes:

(A)  passenger rail systems and related infrastructure;

(B)  advanced rapid transit systems and related infrastructure;

(C)  transit systems;

(D)  intermodal hubs;

(E)  pedestrian facilities;

(F)  streets, roadways, highways, and additional roadway or highway lanes, such as turning lanes and managed or high occupancy vehicle lanes; and

(G)  bridges, tunnels, interchanges, overpasses, underpasses, service roads, ramps, entrance plazas, parking areas or structures, and traffic signal systems.

(7)  "Transit authority" or "transportation authority" means an authority operating under Chapter 370, 451, 452, or 460, Transportation Code.

Sec. 616.003.  REDUCTION PROHIBITED. (a) A county, municipality, regional mobility authority, or metropolitan planning organization may not be penalized with a reduction in state or federal transportation funding, including funding from the state highway fund, the Texas mobility fund, general obligation bonds, or any other method of state or federal transportation financing, because of the imposition of a county motor fuels tax under this chapter.

(b)  The department may not reduce any allocation of state or federal transportation funding to a department district because the district contains a county that imposes a county motor fuels tax under this chapter.

Sec. 616.004.  RESTRICTIONS ON LOBBYING. A county that imposes a county motor fuels tax under this chapter may not use revenue from the tax to pay a person or entity that is required to register with the Texas Ethics Commission under Chapter 305, Government Code.

Sec. 616.005.  LIBERAL CONSTRUCTION. This chapter shall be liberally construed to effect its purposes.

Sec. 616.006.  EXPIRATION OF CHAPTER. (a) This chapter expires January 1, 2029. The expiration of this chapter precludes the holding of an election or the imposition of a county motor fuels tax not authorized under this chapter before its expiration.

(b)  The expiration of this chapter does not affect:

(1)  the enforcement of bonds, obligations, covenants, or other legal instruments issued or executed under this chapter before its expiration;

(2)  the continued imposition and collection of a county motor fuels tax authorized at an election held under this chapter necessary to fulfill an obligation or other instrument described by Subdivision (1) before its expiration;

(3)  the performance of any mobility improvement project, including maintenance and operation of a project; or

(4)  the administration of a county mobility improvement fund established under this chapter for county motor fuels tax revenue.

Sec. 616.007.  PROHIBITIONS ON USE OF REVENUE. A county may not use revenue from a county motor fuels tax imposed under this chapter for a purpose not authorized by the constitution of this state or to directly or indirectly hold, promote, or oppose an election under this chapter, including paying for promotional, educational, or advocacy materials.

Sec. 616.008.  INTERLOCAL CONTRACTING AUTHORITY. (a)  A political subdivision may contract or agree with another political subdivision to perform governmental functions and services in accordance with this chapter.

(b)  A party to an interlocal contract may contract with an agency, as that term is defined by Section 771.002, Government Code.

(c)  In this section, "interlocal contract" has the meaning assigned by Section 791.003, Government Code.

Sec. 616.009.  ANNUAL REPORT AND AUDIT. (a) On or before the 90th day following the end of the fiscal year of a county that imposes a motor fuels tax under this chapter, the commissioners court must submit a report to the executive director of the department and to the state auditor. The report must include:

(1)  the amount of revenue collected in the county under this chapter;

(2)  the amount and purpose of expenditures related to mobility improvement projects; and

(3)  a description of the progress made toward completion of mobility improvement projects.

(b)  The county must publish the report required under Subsection (a) on the county's Internet website at the time the report is submitted to the department.

(c)  Based on a risk assessment process in accordance with Chapter 321, Government Code, the financial transactions of a county regarding a motor fuels tax imposed under this chapter and related mobility improvement projects are subject to audit by the state auditor. A county audited under this subsection shall reimburse the state auditor for the expense of the audit.

SUBCHAPTER B. ELECTIONS; PROJECT SELECTION; EQUITY

Sec. 616.051.  CALLING OF ELECTION. (a) The commissioners court of a county with a population of more than one million may call an election on the issue of imposing a motor fuels tax under this chapter if:

(1)  at least 240 days before the uniform election date in November, a resolution or resolutions requesting that an election be called are adopted by the commissioners court of the county; or

(2)  at least 210 days before the uniform election date in November, a petition is submitted to the commissioners court of the county requesting that the election be called that is signed by the number of registered voters of the county equal to at least 10 percent of the total number of votes cast in the county for all candidates for governor in the most recent gubernatorial general election.

(b)  The commissioners court may adopt an order under this section only after holding three public hearings on the issue.

(c)  An election called under this section must be held on the uniform election date in November.

(d)  Section 334.025 applies to an election called under this section.

Sec. 616.052.  SUBSEQUENT ELECTIONS. (a) This section applies only to a county in which the majority of voters did not approve the imposition of a county motor fuels tax at an election held under Section 616.051.

(b)  The commissioners court by order may call a subsequent election to impose the motor fuels tax authorized under this chapter using the procedures described by this subchapter.

(c)  The commissioners court of a county may not call a subsequent election under this section before the second anniversary of a previously held election.

Sec. 616.053.  REQUIRED BALLOT LANGUAGE. (a) An order under this subchapter calling an election must:

(1)  list and generally describe the nature and scope of the proposed mobility improvement projects to be constructed; and

(2)  list the estimated cost, or portion of the cost, and the estimated completion date for the capital construction of each proposed mobility improvement project.

(b)  The ballot at an election held under this subchapter must be printed as follows: "Authorizing \_\_\_\_\_\_\_\_ (insert name of county) to construct the following mobility improvement projects:\_\_\_\_\_\_\_ (insert, on four separate lines, a general and brief description of each proposed mobility improvement project, an estimated total cost of each project, the estimated date of expiration of any necessary bonds, and the estimated date the project will be operational to the public). The construction, maintenance, and operation of the project or projects listed above will be funded with a 10 cent tax imposed on the sale of a gallon of gasoline and diesel fuel. By voting "yes," you authorize the county to begin imposing a 10 cent motor fuels tax on the sale of a gallon of gasoline and diesel fuel. Do you authorize the construction of the mobility improvement projects listed above and the imposition of a county motor fuels tax in \_\_\_\_\_\_ County?"

(c)  The estimated cost of construction of a mobility improvement project listed on a ballot is not a legally binding restriction on the actual and ultimate cost of financing the project.

(d)  A ballot may not permit individual mobility improvement projects to be voted on as separate options. All mobility improvement projects included on a ballot must be approved or rejected as a group.

Sec. 616.054.  AUTHORIZED PROJECTS. (a) A county may propose for funding by a motor fuels tax imposed under this chapter, to the extent permitted by the constitution of this state:

(1)  the construction of a new mobility improvement project and related maintenance and operations;

(2)  the expansion, reconstruction, or rehabilitation of an existing mobility improvement project;

(3)  improvements in the maintenance and operation of an existing mobility improvement project; or

(4)  the retirement of existing debt of a transit agency related to a mobility improvement project.

(b)  A county may only use funds collected from a motor fuels tax imposed under this chapter to fund mobility improvement projects consistent with the transportation plans and programs of the metropolitan planning organization in which the county is located.

(c)  A county shall consider advanced rapid transit corridors in selecting projects for funding under this chapter.

(d)  On or before the 30th day before the date described in Subsection (e), the metropolitan planning organization in which the county is located shall submit to the county a list of eligible mobility improvement projects with a primary emphasis on advanced rapid transit and major roadway improvements.

(e)  On or before the 180th day before an election is held under this subchapter, the commissioners court shall, by order and in consultation with municipalities and transit agencies located or operating in the county, determine in a public hearing which projects from the list submitted under Subsection (d) shall be proposed for funding from a motor fuels tax imposed under this chapter.

(f)  At the discretion of the county, employees of the department, the county, a municipality, a metropolitan planning organization, an airport, or a transit authority may be asked to provide staff support services to the county to determine the projects to be proposed and constructed.

SUBCHAPTER C. COUNTY MOTOR FUELS TAX

Sec. 616.101.  COUNTY MOTOR FUELS TAX AUTHORIZED; EXPIRATION. (a) Notwithstanding Section 162.014, Tax Code, if approved by a majority of the votes cast in a county at an election held under Subchapter B, the county shall impose a tax at a rate of 10 cents per gallon on the sale of gasoline and diesel fuel that is sold in the county by a person, including a dealer, distributor, supplier, or permissive supplier, engaged in the sale of motor fuels used to propel a motor vehicle on the public highways of the state.

(b)  The tax authorized by this section is in addition to the tax imposed by Chapter 162, Tax Code, and shall be collected in conjunction with that tax when gasoline or diesel fuel is removed from a terminal using the terminal rack, other than by bulk transfer, to be sold or delivered into a county that has imposed the tax authorized by this section.

(c)  A county shall discontinue the imposition of a motor fuels tax under this chapter if:

(1)  all of the mobility improvement projects approved by the voters of a county are accepted by the governmental entity that contracted for the projects;

(2)  all of the bonds issued for mobility improvement projects are paid in full; and

(3)  additional revenue from the continued imposition of the tax is not necessary for ongoing maintenance and operation of mobility improvement projects, including the financial impact a new mobility improvement project may have on an existing transit system as specified by an interlocal agreement.

Sec. 616.102.  DUTIES OF COMPTROLLER RELATING TO COUNTY MOTOR FUELS TAX. (a) The comptroller shall administer, collect, and enforce a tax imposed on the sale of gasoline or diesel fuel approved in accordance with the provisions of this chapter. The tax shall be exclusively administered, collected, and enforced in conformance with Chapter 162, Tax Code, governing the tax assessed on the sale of gasoline and diesel fuel, except that Subchapter F, Chapter 162, Tax Code, does not apply. References in Chapter 162, Tax Code, to taxes imposed under that chapter also include taxes imposed under this section.

(b)  The exemptions provided by Sections 162.104 and 162.204, Tax Code, apply to the tax authorized by this section.

(c)  Subject to Section 616.103, the comptroller may adopt reasonable rules and prescribe forms that are consistent with this chapter and Chapter 162, Tax Code, for the administration, collection, reporting, and enforcement of this section.

(d)  Except as provided by Subsection (e), the tax authorized by this section takes effect on the first day of the first calendar quarter following the expiration of the first complete quarter occurring after the date of the election authorizing the order imposing the tax under Subchapter B.

(e)  If the comptroller determines that an effective date provided by Subsection (d) will occur before the comptroller can reasonably take the action required to begin collecting the tax, the comptroller may delay the effective date until the first day of the first calendar quarter following the date the comptroller declares that the comptroller is ready to begin collecting the tax.

(f)  Before making a distribution to a county under Section 616.105, the comptroller shall deduct any costs incurred by the comptroller related to the comptroller's preparations to administer, collect, and enforce a tax on the sale of gasoline or diesel fuel approved in accordance with this chapter. Each county that approves the imposition of a tax on the sale of gasoline or diesel fuel shall be charged a pro rata amount for the comptroller's costs in preparing to administer, collect, and enforce the tax. If only one county elects to approve the imposition of a tax on the sale of gasoline or diesel fuel in its jurisdiction, that county shall bear all of the costs incurred by the comptroller but may recover pro rata shares of this cost from other counties that approve the imposition of the tax.

Sec. 616.103.  ADOPTION OF RULES RELATING TO MOTOR FUELS TAX. (a) Before the comptroller may adopt rules under Section 616.102, the comptroller must consult with representatives of:

(1)  the entities that would be required to:

(A)  collect and remit a motor fuels tax imposed under this chapter; and

(B)  file reports with the comptroller relating to a motor fuels tax imposed under this chapter; and

(2)  counties in which the voters have approved the imposition of a motor fuels tax under this chapter.

(b)  Rules adopted under Section 616.102 must provide for the uniform administration and reporting of all motor fuels taxes imposed by a county under this chapter. A county may not impose requirements on an entity required to collect a motor fuels tax under this chapter that are not specifically authorized by the rules adopted under Section 616.102.

(c)  Rules adopted under Section 616.102:

(1)  may require the comptroller to report sufficient information to each county imposing a motor fuels tax under this chapter to ensure proper allocation of revenue by the county under this chapter;

(2)  may not require the comptroller to report proprietary information collected from an individual taxpayer in a way that would be subject to public disclosure; and

(3)  may not authorize a county imposing a motor fuels tax under this chapter to contract with a private entity to perform any duty or responsibility associated with the collection, enforcement, or administration of the tax.

Sec. 616.104.  TRUST ACCOUNT. The comptroller shall deposit the county taxes collected by the comptroller under this chapter and Chapter 162, Tax Code, in trust in the separate suspense account of the county for which the taxes were collected.

Sec. 616.105.  DISTRIBUTION OF TRUST FUNDS. The comptroller shall each month distribute to the county treasurer, payable to the county and for deposit in the county mobility improvement fund, the county's share of the taxes collected by the comptroller under this chapter and Chapter 162, Tax Code.

Sec. 616.106.  STATE'S SHARE. Before making a distribution to a county under Section 616.105, the comptroller also shall deduct an amount not to exceed two percent of the amount of the taxes collected for the county during the period for which a distribution is made as the state's charge for its services. The comptroller shall credit the amount deducted to the general revenue fund. The comptroller shall adjust the percentage of the amount deducted each state fiscal year considering the projected expenditures necessary for the collection, administrative, and enforcement functions related to the county motor fuels tax.

Sec. 616.107.  AMOUNTS RETAINED IN TRUST ACCOUNT. (a) The comptroller may retain in the suspense account of a county a portion of the county's share of the tax collected for the county under this chapter and Chapter 162, Tax Code, not to exceed five percent of the amount distributed to the county. If the county has abolished the tax, the amount that may be retained may not exceed five percent of the final distribution to the county at the time of the termination of the collection of the tax.

(b)  From the amounts retained in a county's suspense account, the comptroller may correct erroneous deposits to the account, make refunds for overpayments to the account, and redeem dishonored checks and drafts deposited to the credit of the account.

(c)  Before the fourth anniversary of the effective date of the abolition of a county tax collected under this chapter and Chapter 162, Tax Code, the comptroller shall send to the county the remainder of the money in the county's account and shall close the account.

Sec. 616.108.  INTEREST ON TRUST ACCOUNT. Interest earned on all deposits made by the comptroller under this subchapter shall be credited to the suspense account of the county.

SUBCHAPTER D. FUND

Sec. 616.151.  COUNTY MOBILITY IMPROVEMENT FUND. (a) The commissioners court of each county that imposes a motor fuels tax under this chapter shall, by order, establish a county mobility improvement fund that is separate and apart from the county's general fund account.

(b)  The county shall deposit in the fund money distributed to the county under Section 616.105.

(c)  The county shall establish segregated accounts in the fund for each approved mobility improvement project.

(d)  Money in the fund, including any interest earned, is the property of the county depositing the money and may be spent only as provided by Section 616.152.

Sec. 616.152.  USE OF MONEY IN FUND; ISSUANCE OF BONDS. (a)  A county may use money in its county mobility improvement fund, to the extent permitted by the constitution of this state, to:

(1)  reimburse or pay, without issuing bonds or other obligations or otherwise creating debt, the costs of planning, acquiring, establishing, developing, constructing, or renovating mobility improvement projects in the county that were approved at an election under this subchapter;

(2)  pay the principal of, interest on, or other costs relating to bonds or other obligations the county issues for the purpose of financing mobility improvement projects in the county that were approved at an election under this subchapter;

(3)  pay amounts due and owing to a transit authority or transportation authority under a contract or interlocal agreement between the county and the authority under which the authority agrees to provide, develop, construct, install, and operate advanced rapid transit facilities and services inside and outside the county and to issue bonds and other obligations that are secured by and payable from the amounts due from the county under the contract or interlocal agreement for the purpose of financing the capital costs of the facilities, if a county motor fuels tax was approved for that purpose at an election under this chapter;

(4)  pay amounts due and owing to a municipality under a contract or interlocal agreement between the county and the municipality under which the municipality agrees to provide, develop, or construct mobility improvement projects located inside the municipality;

(5)  pay amounts owed to a transit agency to accelerate the retirement of outstanding debt; and

(6)  reimburse or pay the actual and customary costs of financial administration of the fund.

(b)  A contract or interlocal agreement entered into between a county and a transit authority or transportation authority for the purposes described by Subsection (a)(3) may have those terms and provisions, and may impose and contain requirements, grants, and limitations, as the county and the transit authority or transportation authority may mutually agree, including the power of the transit authority or transportation authority to pledge as security for its bonds all amounts, less agreed costs of collection, deposited to the county's local option transportation fund, if such a pledge was approved at an election under this subchapter.

(c)  Bonds or other obligations issued by a county under this section may be made payable from money in the county's county mobility improvement fund, subject to any limitations contained in a contract or interlocal agreement between the county and a transit authority or transportation authority, and from any other sources of revenue of the county that are lawfully available. Bonds or other obligations issued by a transit authority or transportation authority under a contract or interlocal agreement shall be payable from and secured by the money in the county's county mobility improvement fund and the revenue received from the operation of the advanced rapid transit services financed by the bonds or other obligations and may not include any revenue the transit authority or transportation authority receives from a dedicated sales tax or the operation of any other advanced rapid transit or bus system or related services.

(d)  Bonds or other obligations issued by a county under this section or by a transit authority or transportation authority under a contract or interlocal agreement may mature serially or otherwise not more than 30 years after the date of issuance.

(e)  Any bonds or other obligations issued by a county or by a transit authority or transportation authority under this section, and the proceedings authorizing the bonds or other obligations, must be submitted to the attorney general for review and approval under Chapter 1202, Government Code.

(f)  A county may not:

(1)  use money in the fund to finance the construction of a mobility improvement project not permitted by the constitution of this state or not approved by the voters in an election under this chapter; or

(2)  use funds approved for a particular mobility improvement project to fund a different project.

SUBCHAPTER E. TRANSIT AND TRANSPORTATION AUTHORITIES

Sec. 616.201.  TRANSIT AUTHORITY OR TRANSPORTATION AUTHORITY SERVICES NOT AUTHORIZED. (a) A county acting under this chapter may not directly operate or provide advanced rapid transit services or any service expressly reserved by a transit authority or a transportation authority that serves the county.

(b)  This chapter does not authorize the creation of a transit authority or a transportation authority.

SECTION 2.  Subchapter C, Chapter 791, Government Code, is amended by adding Section 791.038 to read as follows:

Sec. 791.038.  CONTRACTS RELATED TO COUNTY MOTOR FUELS TAXES. (a) The comptroller may enter into an interlocal contract with one or more local governments or political subdivisions to collect, administer, and enforce a county motor fuels tax enacted under Chapter 616, Local Government Code, and any other related law.

(b)  This section expires January 1, 2022.

SECTION 3.  Section 162.001, Tax Code, is amended by adding Subdivisions (16-a), (16-b), (56-a), (56-b), and (57-a) to read as follows:

(16-a)  "County diesel fuel tax" means the tax imposed by Section 162.2011 or 162.2035.

(16-b)  "County gasoline tax" means the tax imposed by Section 162.1011 or 162.1035.

(56-a)  "State diesel fuel tax" means the tax imposed by Section 162.201 or 162.203.

(56-b)  "State gasoline tax" means the tax imposed by Section 162.101 or 162.103.

(57-a)  "Taxing county" means a destination county that has adopted the tax on motor vehicle fuel authorized by Chapter 616, Local Government Code.

SECTION 4.  Sections 162.004(e) and (g), Tax Code, are amended to read as follows:

(e)  A person to whom a shipping document was issued shall:

(1)  carry the shipping document in the barge, vessel, railroad tank car, or other transport vehicle for which the document was issued when transporting the motor fuel described in the document;

(2)  show the shipping document on request to any law enforcement officer, representative of the comptroller, or other authorized individual, when transporting the motor fuel described;

(3)  deliver the motor fuel to the destination state printed on the shipping document unless the person:

(A)  notifies the comptroller and the destination state, if a diversion program is in place, before transporting the motor fuel into a state other than the printed destination state, that the person has received instructions after the shipping document was issued to deliver the motor fuel to a different destination state;

(B)  receives from the comptroller and destination state, if a diversion program is in place, a diversion number authorizing the diversion; and

(C)  writes on the shipping document the change in destination state and the diversion number; [~~and~~]

(4)  if delivering the motor fuel into a county in this state, denote on the shipping document the county to which the motor fuel will be delivered or, in the case of a split load, each county in which a portion of the motor fuel will be delivered; and

(5)  give a copy of the shipping document to the person to whom the motor fuel is delivered.

(g)  The person to whom motor fuel is delivered by barge, vessel, railroad tank car, or transport vehicle may not accept delivery of the motor fuel if the destination state shown on the shipping document for the motor fuel is a state other than this state, except that the person may accept the [~~that~~] delivery if the document contains a diversion number authorized by the comptroller and destination state, if applicable, and has received a properly completed shipping document listing the county in this state in which the person accepts delivery. The person to whom the motor fuel is delivered shall examine the shipping document to determine that the destination state is this state and the county in this state is the county in which the person accepts delivery, and shall retain a copy of the shipping document at the delivery location or another place until the fourth anniversary of the date of delivery.

SECTION 5.  Section 162.005(e), Tax Code, is amended to read as follows:

(e)  The comptroller may revoke a license if the license holder:

(1)  purchases for export motor fuel on which the tax was not paid under this chapter and subsequently diverts or causes the motor fuel to be diverted to a destination in this state or to any destination other than the originally designated state or country without first obtaining a diversion number; or

(2)  delivers motor fuel on which the county gasoline tax or county diesel fuel tax is due without issuing a properly completed shipping document listing the taxing county in which the delivery occurred.

SECTION 6.  Section 162.006(a), Tax Code, is amended to read as follows:

(a)  The comptroller may suspend a person's license without notice or a hearing for the person's failure to comply with this chapter or a rule adopted under this chapter or Chapter 616, Local Government Code, if the person's continued operation constitutes an immediate and substantial threat to the collection of taxes imposed by this chapter and attributable to the person's operation.

SECTION 7.  Section 162.012, Tax Code, is amended to read as follows:

Sec. 162.012.  PRESUMPTIONS. (a) A person licensed under this chapter or required to be licensed under this chapter, or other user, who fails to keep a record, issue an invoice, or file a return or report required by this chapter is presumed to have sold or used for taxable purposes all motor fuel shown by an audit by the comptroller to have been sold to the license holder or other user.  Motor fuel unaccounted for is presumed to have been sold or used for taxable purposes.

(b)  If an exporter claims an exemption under Section 162.104(a)(4) or 162.204(a)(4) and fails to report subsequent tax-free sales in this state of the motor fuel for which the exemption was claimed as required by Section 162.1155 or 162.2165, or to produce proof of payment of tax to the destination state or proof that the transaction was exempt in the destination state, the exporter is presumed to have not paid the destination state's tax or this state's tax on the motor fuel and the comptroller shall assess the tax imposed by this chapter on the motor fuel against the exporter.

(c)  If a person claims an exemption from the county motor fuels tax and fails to produce proof of delivery to a nontaxing county, the person is presumed to have delivered the motor fuel to a taxing county that imposes the tax on motor vehicle fuels authorized by Chapter 616, Local Government Code.

(d)  The comptroller may fix or establish the amount of taxes, penalties, and interest due this state from the records of deliveries or from any records or information available.  If a tax claim, as developed from this procedure, is not paid, after the opportunity to request a redetermination, the claim and any audit made by the comptroller or any report filed by the license holder or other user is evidence in any suit or judicial proceedings filed by the attorney general and is prima facie evidence of the correctness of the claim or audit.  A prima facie presumption of the correctness of the claim may be overcome at the trial by evidence adduced by the license holder or other user.

(e) [~~(b)~~]  In the absence of records showing the number of miles actually operated per gallon of motor fuel consumed, it is presumed that not less than one gallon of motor fuel was consumed for every four miles traveled. An interstate trucker may produce evidence of motor fuel consumption to establish another mileage factor. If an examination or audit made by the comptroller from the records of an interstate trucker shows that a greater amount of motor fuel was consumed than was reported by the interstate trucker for tax purposes, the interstate trucker is liable for the tax, penalties, and interest on the additional amount shown or the trucker is entitled to a credit or refund on overpayments of tax established by the audit.

SECTION 8.  Section 162.015, Tax Code, is amended to read as follows:

Sec. 162.015.  ADDITIONAL TAX APPLIES TO INVENTORIES. (a) On the effective date of an increase in the rate [~~rates~~] of a tax [~~the taxes~~] imposed by this chapter, a distributor or dealer that possesses for the purpose of sale 2,000 or more gallons of gasoline or diesel fuel at each business location on which a tax [~~the taxes~~] imposed by this chapter at a previous rate has [~~have~~] been paid shall report to the comptroller the volume of that gasoline and diesel fuel, and at the time of the report shall pay a tax on that gasoline and diesel fuel at a rate equal to the rate of the tax increase.

(b)  On the effective date of a reduction of the rate [~~rates~~] of a tax [~~taxes~~] imposed by this chapter, a distributor or dealer that possesses for the purpose of sale 2,000 or more gallons of gasoline or diesel fuel at each business location on which a tax [~~the taxes~~] imposed by this chapter at the previous rate has [~~have~~] been paid becomes entitled to a refund in an amount equal to the difference in the amount of the tax [~~taxes~~] paid on that gasoline or diesel fuel at the previous rate and at the rate in effect on the effective date of the reduction in the tax rate [~~rates~~]. The rules of the comptroller shall provide for the method of claiming a refund under this chapter and may require that the refund for the dealer be paid through the distributor or supplier from whom the dealer received the fuel.

SECTION 9.  Section 162.016, Tax Code, is amended by amending Subsection (a) and adding Subsection (g-1) to read as follows:

(a)  A person may not import motor fuel to a destination in this state or export motor fuel to a destination outside this state by any means unless the person possesses a shipping document for that fuel.  The shipping document must include:

(1)  the name and physical address of the terminal or bulk plant from which the motor fuel was received for import or export;

(2)  the name of the carrier transporting the motor fuel;

(3)  the date the motor fuel was loaded;

(4)  the type of motor fuel;

(5)  the number of gallons:

(A)  in temperature-adjusted gallons if purchased from a terminal for export or import; or

(B)  in temperature-adjusted gallons or in gross gallons if purchased from a bulk plant;

(6)  the destination state and, if the destination state is this state, the county in this state to which the gasoline or diesel fuel will be delivered [~~of the motor fuel~~] as represented by the purchaser of the motor fuel and the number of gallons of the fuel to be delivered, if delivery is to only one state;

(7)  the name and physical address of the purchaser of the motor fuel;

(8)  the name of the person responsible for paying the tax imposed by this chapter, as given to the terminal by the purchaser if different from the licensed supplier or distributor;

(9)  the destination state of each portion of a split load of motor fuel if the motor fuel is to be delivered to more than one state and, if a destination state is this state, the county in this state to which the gasoline or diesel fuel will be delivered; and

(10)  any other information that, in the opinion of the comptroller, is necessary for the proper administration of this chapter.

(g-1)  An importer or exporter who wants to deliver a single cargo tank of motor fuel to a county in this state must issue a properly completed shipping document denoting the county to which the motor fuel will be delivered or, in the case of a split load, each county to which a portion of the motor fuel will be delivered.

SECTION 10.  The heading to Section 162.101, Tax Code, is amended to read as follows:

Sec. 162.101.  POINT OF IMPOSITION OF STATE GASOLINE TAX.

SECTION 11.  Sections 162.101(a), (b), (c), and (f), Tax Code, are amended to read as follows:

(a)  A tax is imposed on the removal of gasoline from the terminal using the terminal rack, other than by bulk transfer.  The supplier or permissive supplier is liable for and shall collect the tax imposed by this section [~~subchapter~~] from the person who orders the withdrawal at the terminal rack.

(b)  A tax is imposed at the time gasoline is imported into this state, other than by a bulk transfer, for delivery to a destination in this state.  The supplier or permissive supplier is liable for and shall collect the tax imposed by this section [~~subchapter~~] from the person who imports the gasoline into this state.  If the seller is not a supplier or permissive supplier, then the person who imports the gasoline into this state is liable for and shall pay the tax.

(c)  A tax is imposed on the removal of gasoline from the bulk transfer/terminal system in this state.  The supplier is liable for and shall collect the tax imposed by this section [~~subchapter~~] from the person who orders the removal from the bulk transfer terminal system.

(f)  A terminal operator in this state is considered a supplier for the purpose of the tax imposed by [~~under~~] this section [~~subchapter~~] unless at the time of removal:

(1)  the terminal operator has a terminal operator's license issued for the facility from which the gasoline is withdrawn;

(2)  the terminal operator verifies that the person who removes the gasoline has a supplier's license; and

(3)  the terminal operator does not have a reason to believe that the supplier's license is not valid.

SECTION 12.  Subchapter B, Chapter 162, Tax Code, is amended by adding Section 162.1011 to read as follows:

Sec. 162.1011.  IMPOSITION OF COUNTY GASOLINE TAX; POINT OF COLLECTION. (a) In a county that imposes the tax on motor vehicle fuels authorized by Chapter 616, Local Government Code, a tax is imposed on the delivery of gasoline into the taxing county.

(b)  A tax is imposed on gasoline that is otherwise exempt from taxation under Section 162.104(a)(4) or (7) if the gasoline is sold in this state to a person who does not hold a license under Section 162.105(1), (2), (3), (4), or (6) and the gasoline is subsequently delivered into a taxing county. The person who delivered the gasoline into the taxing county is liable for and shall collect the tax.

(c)  A tax is imposed on gasoline that is otherwise exempt from taxation under Section 162.104(a)(4) or (7) if before export the gasoline is sold in this state to a person who holds a license under Section 162.105(1), (2), (3), (4), or (6) and the gasoline is delivered into a taxing county. The person who delivered the gasoline into the taxing county is liable for and shall pay the tax.

(d)  The distributor shall collect the tax imposed by this section from each person on delivery of gasoline into a taxing county.

(e)  In each subsequent sale of gasoline on which the tax has been paid, the tax imposed by this section shall be collected from the purchaser so that the tax is paid ultimately by the person who uses the gasoline. Gasoline is considered to be used when it is delivered into a fuel supply tank.

SECTION 13.  Section 162.102, Tax Code, is amended to read as follows:

Sec. 162.102.  TAX RATES [~~RATE~~]. (a) The state gasoline tax rate is 20 cents for each net gallon or fractional part of a net gallon on which the tax is imposed under Section 162.101.

(b)  In a taxing county, the county gasoline tax rate for each net gallon or fractional part of a net gallon is the rate established by Chapter 616, Local Government Code.

SECTION 14.  The heading to Section 162.1025, Tax Code, is amended to read as follows:

Sec. 162.1025.  SEPARATE STATEMENT OF TAXES [~~TAX~~] COLLECTED FROM PURCHASER.

SECTION 15.  Sections 162.1025(a), (b), and (c), Tax Code, are amended to read as follows:

(a)  In each subsequent sale of gasoline on which the taxes imposed by this subchapter have [~~tax has~~] been paid, the taxes [~~tax imposed by this subchapter~~] shall be collected from the purchaser so that the taxes are [~~tax is~~] paid ultimately by the person who uses the gasoline. Gasoline is considered to be used when it is delivered into a fuel supply tank.

(b)  The taxes [~~tax~~] imposed by this subchapter must be stated separately from the sales price of gasoline and identified as gasoline taxes [~~tax~~] on the invoice or receipt issued to a purchaser. Backup gasoline taxes [~~tax~~] may be identified as gasoline taxes [~~tax~~]. The taxes [~~tax~~] must be separately stated and identified in the same manner on a shipping document, if the shipping document includes the sales price of the gasoline.

(c)  Except as provided by Subsection (d), the sales price of gasoline stated on an invoice, receipt, or shipping document is presumed to be exclusive of the taxes [~~tax~~] imposed by this subchapter.  The seller or purchaser may overcome the presumption by using the seller's records to show that the taxes [~~tax~~] imposed by this subchapter were [~~was~~] included in the sales price.

SECTION 16.  The heading to Section 162.103, Tax Code, is amended to read as follows:

Sec. 162.103.  BACKUP STATE GASOLINE TAX; LIABILITY.

SECTION 17.  Sections 162.103(a) and (c), Tax Code, are amended to read as follows:

(a)  A backup tax is imposed at the rate prescribed by Section 162.102(a) [~~162.102~~] on:

(1)  a person who obtains a refund of tax on gasoline by claiming the gasoline was used for an off-highway purpose, but actually uses the gasoline to operate a motor vehicle on a public highway;

(2)  a person who operates a motor vehicle on a public highway using gasoline on which tax has not been paid;

(3)  a person who sells to the ultimate consumer gasoline on which tax has not been paid and who knew or had reason to know that the gasoline would be used for a taxable purpose; and

(4)  a person, other than a person exempted under Section 162.104, who acquires gasoline on which tax has not been paid from any source in this state.

(c)  The tax imposed by [~~under~~] Subsection (a)(3) is also imposed on the ultimate consumer.

SECTION 18.  Subchapter B, Chapter 162, Tax Code, is amended by adding Section 162.1035 to read as follows:

Sec. 162.1035.  BACKUP COUNTY GASOLINE TAX; LIABILITY. (a) A backup tax is imposed at the rate prescribed by Section 162.102(b) on:

(1)  a person who, in a taxing county:

(A)  delivers gasoline into the fuel supply tank of a motor vehicle;

(B)  purchases or receives gasoline from another person; or

(C)  sells or delivers gasoline to another person; and

(2)  a person who obtains a refund of the tax imposed by Section 162.1011 for gasoline that the person delivered into the fuel supply tank of a motor vehicle, purchased or acquired, or sold or delivered in a taxing county.

(b)  A person who sells gasoline subject to the tax imposed by this section shall at the time of sale collect the tax from the purchaser or recipient of the gasoline in addition to the selling price and is liable to this state for the taxes collected at the time and in the manner provided by this chapter.

(c)  The following are exempt from the tax imposed by this section:

(1)  gasoline on which the tax imposed by Section 162.1011 has been paid; and

(2)  gasoline exempt under Section 162.104.

(d)  The tax imposed by this section is in addition to any penalty imposed under this chapter.

SECTION 19.  Section 162.104(a), Tax Code, is amended to read as follows:

(a)  The taxes [~~tax~~] imposed by this subchapter do [~~does~~] not apply to gasoline:

(1)  sold to the United States for its exclusive use, provided that the exemption does not apply with respect to fuel sold or delivered to a person operating under a contract with the United States;

(2)  sold to a public school district in this state for the district's exclusive use;

(3)  sold to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that provides public school transportation services to a school district under Section 34.008, Education Code, and that uses the gasoline only to provide those services;

(4)  exported by either a licensed supplier or a licensed exporter from this state to any other state, provided that the bill of lading indicates the destination state and the supplier collects the destination state tax;

(5)  moved by truck or railcar between licensed suppliers or licensed permissive suppliers and in which the gasoline removed from the first terminal comes to rest in the second terminal, provided that the removal from the second terminal rack is subject to the state gasoline tax imposed by this subchapter;

(6)  delivered or sold into a storage facility of a licensed aviation fuel dealer from which gasoline will be delivered solely into the fuel supply tanks of aircraft or aircraft servicing equipment, or sold from one licensed aviation fuel dealer to another licensed aviation fuel dealer who will deliver the aviation fuel exclusively into the fuel supply tanks of aircraft or aircraft servicing equipment;

(7)  exported to a foreign country if the bill of lading indicates the foreign destination and the fuel is actually exported to the foreign country;

(8)  sold to a volunteer fire department in this state for the department's exclusive use; or

(9)  sold to a nonprofit entity that is organized for the sole purpose of and engages exclusively in providing emergency medical services and that uses the gasoline exclusively to provide emergency medical services, including rescue and ambulance services.

SECTION 20.  Section 162.105, Tax Code, is amended to read as follows:

Sec. 162.105.  PERSONS REQUIRED TO BE LICENSED. A person shall obtain the appropriate license or licenses issued by the comptroller before conducting the activities of:

(1)  a supplier, who may also act as a distributor, importer, exporter, blender, motor fuel transporter, dealer, or aviation fuel dealer without securing a separate license, but who is subject to all other conditions, requirements, and liabilities imposed on those license holders;

(2)  a permissive supplier, who may also act as a distributor, importer, exporter, blender, motor fuel transporter, dealer, or aviation fuel dealer without securing a separate license, but who is subject to all other conditions, requirements, and liabilities imposed on those license holders;

(3)  a distributor, who may also act as an importer, exporter, blender, [~~or~~] motor fuel transporter, or dealer without securing a separate license, but who is subject to all other conditions, requirements, and liabilities imposed on those license holders;

(4)  an importer, who may also act as an exporter, blender, [~~or~~] motor fuel transporter, or dealer without securing a separate license, but who is subject to all other conditions, requirements, and liabilities imposed on those license holders;

(5)  a terminal operator;

(6)  an exporter;

(7)  a blender;

(8)  a motor fuel transporter;

(9)  an aviation fuel dealer; [~~or~~]

(10)  an interstate trucker; or

(11)  a dealer.

SECTION 21.  Sections 162.107(a) and (b), Tax Code, are amended to read as follows:

(a)  A person may elect to obtain a permissive supplier license to collect the state gasoline tax imposed by [~~under~~] this subchapter for gasoline that is removed at a terminal in another state and has this state as the destination state.

(b)  With respect to gasoline that is removed by the licensed permissive supplier at a terminal located in another state and that has this state as the destination state, a licensed permissive supplier shall:

(1)  collect the state gasoline tax due to this state on the gasoline;

(2)  waive any defense that this state lacks jurisdiction to require the supplier to collect the state gasoline tax due to this state on the gasoline under this subchapter;

(3)  report and pay the state gasoline tax and the county gasoline tax due on the gasoline in the same manner as if the removal had occurred at a terminal located in this state;

(4)  keep records of the removal of the gasoline and submit to audits concerning the gasoline as if the removal had occurred at a terminal located in this state; and

(5)  report sales by the permissive supplier to a person who is not licensed in this state.

SECTION 22.  Section 162.108, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1)  In addition to the information required by Subsection (a), an applicant for a license as a dealer must list on the application:

(1)  the street address, city, county, and zip code of the location for which the applicant seeks a license to sell or dispense motor fuel at retail;

(2)  the applicant's social security number, driver's license number, and federal employer identification number if the applicant is a natural person who is not licensed as a supplier, permissive supplier, or terminal operator; and

(3)  if the applicant is a corporation, limited liability company, professional association, partnership, or other entity that is not licensed as a supplier, permissive supplier, or terminal operator and is not wholly owned by an entity that is licensed as a supplier, permissive supplier, or terminal operator, the physical address, mailing address, social security number, and driver's license number of:

(A)  each natural person responsible for the purchase of motor fuel for sale by the applicant; and

(B)  each officer, director, manager, member, shareholder, and partner of the applicant.

SECTION 23.  Section 162.110(a), Tax Code, is amended to read as follows:

(a)  The license issued to a supplier, permissive supplier, distributor, importer, exporter, terminal operator, blender, [~~or~~] motor fuel transporter, or dealer is permanent and is valid during the period the license holder has in force and effect the required bond or security and furnishes timely reports and supplements as required, or until the license is surrendered by the holder or canceled by the comptroller. The comptroller shall cancel a license under this subsection if a purchase, sale, or use of gasoline has not been reported by the license holder during the previous nine months.

SECTION 24.  Section 162.111(a), Tax Code, is amended to read as follows:

(a)  The comptroller shall determine the amount of security required of a supplier, permissive supplier, distributor, exporter, importer, dealer, or blender, taking into consideration the amount of tax that has or is expected to become due from the person, any past history of the person as a license holder under this chapter or its predecessor, and the necessity to protect this state against the failure to pay the tax as the tax becomes due.

SECTION 25.  Sections 162.112(a) and (b), Tax Code, are amended to read as follows:

(a)  The comptroller, on or before December 20 of each year, shall make available to all license holders an alphabetical list of licensed suppliers, permissive suppliers, distributors, aviation fuel dealers, importers, exporters, blenders, dealers, and terminal operators. A supplemental list of additions and deletions shall be made available to the license holders each month. A current and effective license or the list furnished by the comptroller is evidence of the validity of the license until the comptroller notifies license holders of a change in the status of a license holder.

(b)  A licensed supplier, permissive supplier, dealer, or distributor who sells gasoline tax-free to a person whose supplier's, permissive supplier's, dealer's, or aviation fuel dealer's license has been canceled or revoked under this chapter is liable for any tax due on gasoline sold after receiving notice of the cancellation or revocation.

SECTION 26.  Sections 162.113(d), (d-1), and (e), Tax Code, are amended to read as follows:

(d)  The supplier or permissive supplier, after requesting a credit under this section, shall terminate the ability of the licensed distributor or licensed importer to defer the payment of state gasoline tax. The supplier or permissive supplier may not reinstate the right of the licensed distributor or licensed importer to defer the payment of state gasoline tax until the first anniversary of the date the supplier or permissive supplier requested the credit, subject to Subsection (d-1).

(d-1)  A supplier or permissive supplier may reinstate the right of a licensed distributor or licensed importer to defer the payment of state gasoline tax before the date prescribed by Subsection (d) if the comptroller determines that:

(1)  the supplier or permissive supplier erroneously requested the credit that resulted in the termination of the licensed distributor's or licensed importer's right to defer payment; or

(2)  the licensed distributor or licensed importer failed to pay state gasoline taxes due because of circumstances that may have been outside the distributor's or importer's control.

(e)  A licensed distributor or licensed importer who makes timely payments of the state gasoline tax imposed by [~~under~~] this subchapter is entitled to retain an amount equal to 1.75 percent of the total state gasoline tax [~~taxes~~] to be paid to the supplier or permissive supplier to cover administrative expenses.

SECTION 27.  Section 162.114(a), Tax Code, is amended to read as follows:

(a)  Except as provided by Subsection (b), each person who is liable for the taxes [~~tax~~] imposed by this subchapter, a terminal operator, a dealer, and a licensed distributor shall file a return on or before the 25th day of the month following the end of each calendar month.

SECTION 28.  Sections 162.115(b), (c), (e), (g), and (h), Tax Code, are amended to read as follows:

(b)  A distributor shall keep:

(1)  a record showing the number of gallons of:

(A)  all gasoline inventories on hand at the first of each month;

(B)  all gasoline blended;

(C)  all gasoline purchased or received, showing the name of the seller and the date of each purchase or receipt;

(D)  all gasoline sold, distributed, or used, showing:

(i)  the name of the purchaser;

(ii)  the county in this state to which the gasoline was delivered;

(iii)  the amount of county gasoline tax collected from the purchaser; and

(iv)  the date of the sale, distribution, or use; and

(E)  all gasoline lost by fire, theft, or accident;

(2)  an itemized statement showing by load the number of gallons of all gasoline:

(A)  received during the preceding calendar month for export and the location of the loading;

(B)  sold, distributed, or used, showing:

(i)  the name of the purchaser;

(ii)  the county or counties in this state;

(iii)  the amount of county gasoline tax collected from the purchaser; and

(iv)  the date of the sale, distribution, or use;

(C)  exported from this state by destination state or country; and

(D) [~~(C)~~]  imported during the preceding calendar month by state or country of origin; [~~and~~]

(3)  for gasoline exported from this state, proof of payment of tax to the destination state in a form acceptable to the comptroller; and

(4)  all shipping documents.

(c)  An importer shall keep:

(1)  a record showing the number of gallons of:

(A)  all gasoline inventories on hand at the first of each month;

(B)  all gasoline compounded or blended;

(C)  all gasoline purchased or received, showing the name of the seller and the date of each purchase or receipt;

(D)  all gasoline sold, distributed, or used, showing the name of the purchaser, the county in this state, and the date of the sale, distribution, or use; and

(E)  all gasoline lost by fire, theft, or accident; and

(2)  an itemized statement showing by load the number of gallons of all gasoline:

(A)  received during the preceding calendar month for export and the location of the loading;

(B)  sold, distributed, or used, showing the name of the purchaser, the county or counties in this state, and the date of the sale, distribution, or use;

(C)  exported from this state by destination state or country; and

(D) [~~(C)~~]  imported during the preceding calendar month by state or country of origin.

(e)  A blender shall keep a record showing the number of gallons of:

(1)  all gasoline inventories on hand at the first of each month;

(2)  all gasoline compounded or blended;

(3)  all gasoline purchased or received, showing the name of the seller and the date of each purchase or receipt;

(4)  all gasoline sold, distributed, or used, showing the name of the purchaser, the county in this state, and the date of the sale or use; and

(5)  all gasoline lost by fire, theft, or accident.

(g)  A motor fuel transporter shall keep a complete and separate record of each intrastate and interstate transportation of gasoline, showing:

(1)  the date of transportation;

(2)  the name of the consignor and consignee;

(3)  the means of transportation;

(4)  the quantity and kind of gasoline transported;

(5)  full data concerning the diversion of shipments, including the county in this state and the number of gallons diverted from interstate to intrastate and intrastate to interstate commerce; and

(6)  the points of origin and destination, the county in this state, the number of gallons shipped or transported, the date, the consignee and the consignor, and the kind of gasoline that has been diverted.

(h)  A dealer shall keep a record showing the number of gallons of:

(1)  gasoline inventories on hand at the first of each month;

(2)  all gasoline purchased or received, showing the name of the seller and the date of each purchase or receipt;

(3)  all gasoline sold or used, showing the date of the sale or use; [~~and~~]

(4)  all gasoline lost by fire, theft, or accident; and

(5)  the shipping documents.

SECTION 29.  Section 162.116(c), Tax Code, is amended to read as follows:

(c)  A supplier or permissive supplier may take a credit for any state gasoline tax [~~taxes~~] that was [~~were~~] not remitted in a previous period to the supplier or permissive supplier by a licensed distributor or licensed importer as required by Section 162.113. The supplier or permissive supplier is eligible to take the credit if the comptroller is notified of the default within 15 days after the default occurs. If a license holder pays to a supplier or permissive supplier the tax owed, but the payment occurs after the supplier or permissive supplier has taken a credit on its return, the supplier or permissive supplier shall remit the payment to the comptroller with the next monthly return after receipt of the tax, plus a penalty of 10 percent of the amount of unpaid taxes and interest at the rate provided by Section 111.060 beginning on the date the credit was taken.

SECTION 30.  Section 162.118, Tax Code, is amended to read as follows:

Sec. 162.118.  INFORMATION REQUIRED ON DISTRIBUTOR'S RETURN; PAYMENT OF TAXES AND ALLOWANCES. (a) The monthly return and supplements of each distributor shall contain for the period covered by the return:

(1)  the number of net gallons of gasoline received by the distributor during the month, sorted by product code, seller, point of origin, destination state, carrier, and receipt date;

(2)  the number of net gallons of gasoline removed at a terminal rack by the distributor during the month, sorted by product code, seller, terminal code, and carrier;

(3)  the number of net gallons of gasoline removed by the distributor during the month for export, sorted by product code, terminal code, bulk plant address, destination state, and carrier;

(4)  the number of net gallons of gasoline removed by the distributor during the month from a terminal located in another state for conveyance to this state, as indicated on the shipping document for the gasoline, sorted by product code, seller, terminal code, bulk plant address, and carrier;

(5)  the number of net gallons of gasoline the distributor sold during the month in transactions exempt under Section 162.104, sorted by product code and purchaser; [~~and~~]

(6)  the number of net gallons delivered into a taxing county sorted by taxing county and purchaser; and

(7)  any other information required by the comptroller.

(b)  A distributor or importer who makes timely payments of the county tax imposed by this subchapter is entitled to retain an amount equal to two percent of the total county gasoline taxes remitted to the comptroller to cover administrative expenses.

SECTION 31.  Section 162.123, Tax Code, is amended to read as follows:

Sec. 162.123.  INFORMATION REQUIRED ON BLENDER'S RETURN. The monthly return and supplements of each blender shall contain for the period covered by the return:

(1)  the number of net gallons of gasoline received by the blender during the month, sorted by product code, seller, point of origin, carrier, and receipt date;

(2)  the number of net gallons of product blended with gasoline during the month, sorted by product code, type of blending agent if no product code exists, seller, and carrier;

(3)  the number of net gallons of blended gasoline sold during the month and the license number or name, [~~and~~] address, and county in this state of the entity receiving the blended gasoline; and

(4)  any other information required by the comptroller.

SECTION 32.  Subchapter B, Chapter 162, Tax Code, is amended by adding Section 162.1235 to read as follows:

Sec. 162.1235.  INFORMATION REQUIRED ON DEALER'S RETURN. The monthly return and supplements of each dealer shall contain for the period covered by the return:

(1)  the number of gallons of gasoline inventories on hand at the first of each month, sorted by product code;

(2)  the number of gallons of gasoline received by the dealer during the month, sorted by seller;

(3)  the number of gallons of gasoline inventories on hand at the end of each month; and

(4)  any other information required by the comptroller.

SECTION 33.  Sections 162.125(g-1) and (g-2), Tax Code, are amended to read as follows:

(g-1)  A volunteer fire department exempt from the taxes [~~tax~~] imposed under this subchapter that paid a tax on the purchase of gasoline is entitled to a refund of the tax paid, and the volunteer fire department may file a refund claim with the comptroller for that amount.

(g-2)  A nonprofit entity exempted under Section 162.104(a)(9) from the taxes [~~tax~~] imposed under this subchapter that paid a tax on the purchase of gasoline is entitled to a refund of the tax paid, and the entity may file a refund claim with the comptroller for that amount.

SECTION 34.  Sections 162.127(a) and (d), Tax Code, are amended to read as follows:

(a)  A refund claim must be filed on a form provided by the comptroller, be supported by the original invoice issued by the seller, and contain:

(1)  the stamped or preprinted name and address, including county in this state, of the seller;

(2)  the name and address of the purchaser;

(3)  the date of delivery of the gasoline;

(4)  the date of the issuance of the invoice, if different from the date of fuel delivery;

(5)  the number of gallons of gasoline delivered;

(6)  the amount of state or county gasoline taxes paid [~~tax~~], either separately stated from the selling price or stated with a notation that both state and county taxes are included if both apply [~~the selling price includes the tax~~]; and

(7)  the type of vehicle or equipment, such as a motorboat, railway engine, motor vehicle, off-highway vehicle, or refrigeration unit or stationary engine, into which the fuel is delivered.

(d)  A distributor or person who does not hold a license who files a valid refund claim with the comptroller shall be paid by a warrant issued by the comptroller. For purposes of this section, a distributor meets the requirement of filing a valid refund claim for state and county gasoline taxes if the distributor designates the gallons of gasoline sold or used that are the subject of the refund claim on the monthly report submitted by the distributor to the comptroller.

SECTION 35.  The heading to Section 162.201, Tax Code, is amended to read as follows:

Sec. 162.201.  POINT OF IMPOSITION OF STATE DIESEL FUEL TAX.

SECTION 36.  Sections 162.201(a), (b), (c), and (f), Tax Code, are amended to read as follows:

(a)  A tax is imposed on the removal of diesel fuel from the terminal using the terminal rack other than by bulk transfer. The supplier or permissive supplier is liable for and shall collect the tax imposed by this section [~~subchapter~~] from the person who orders the withdrawal at the terminal rack.

(b)  A tax is imposed at the time diesel fuel is imported into this state, other than by a bulk transfer, for delivery to a destination in this state. The supplier or permissive supplier is liable for and shall collect the tax imposed by this section [~~subchapter~~] from the person who imports the diesel fuel into this state. If the seller is not a supplier or permissive supplier, the person who imports the diesel fuel into this state is liable for and shall pay the tax.

(c)  A tax is imposed on the removal of diesel fuel from the bulk transfer/terminal system in this state. The supplier is liable for and shall collect the tax imposed by this section [~~subchapter~~] from the person who orders the removal from the bulk transfer/terminal system.

(f)  The terminal operator in this state is considered a supplier for the purpose of the tax imposed under this section [~~subchapter~~] unless at the time of removal:

(1)  the terminal operator has a terminal operator's license issued for the facility from which the diesel fuel is withdrawn;

(2)  the terminal operator verifies that the person who removes the diesel fuel has a supplier's license; and

(3)  the terminal operator does not have a reason to believe that the supplier's license is not valid.

SECTION 37.  Subchapter C, Chapter 162, Tax Code, is amended by adding Section 162.2011 to read as follows:

Sec. 162.2011.  COUNTY DIESEL FUEL TAX IMPOSED; POINT OF COLLECTION. (a) In a county that imposes the tax on motor vehicle fuels authorized by Chapter 616, Local Government Code, a tax is imposed on the delivery of diesel fuel into the taxing county.

(b)  The distributor shall collect the tax imposed by this section from each person on delivery of diesel fuel into a taxing county.

(c)  A tax is imposed on diesel fuel that is otherwise exempt from taxation under Section 162.204(a)(4) or (7) if the diesel fuel is sold in this state to a person who does not hold a license under Section 162.205(a)(1), (2), (3), (4), or (6) and the diesel fuel is subsequently delivered into a taxing county. The person who delivered the diesel fuel into the taxing county is liable for and shall collect the tax.

(d)  A tax is imposed on diesel fuel that is otherwise exempt from taxation under Section 162.204(a)(4) or (7) if before export the diesel fuel is sold in this state to a person who holds a license under Section 162.205(a)(1), (2), (3), (4), or (6) and the diesel fuel is subsequently delivered to a taxing county. The person who delivered the diesel fuel into the taxing county is liable for and shall pay the tax.

(e)  In each subsequent sale of diesel fuel on which the tax has been paid, the tax imposed by this section shall be collected from the purchaser so that the tax is paid ultimately by the person who uses the diesel fuel. Diesel fuel is considered to be used when it is delivered into a fuel supply tank.

SECTION 38.  Section 162.202, Tax Code, is amended to read as follows:

Sec. 162.202.  TAX RATES [~~RATE~~]. (a) The state diesel fuel tax rate is 20 cents for each net gallon or fractional part of a net gallon on which the tax is imposed under Section 162.201.

(b)  In a taxing county, the county diesel fuel tax rate for each net gallon or fractional part of a net gallon is the rate established by Chapter 616, Local Government Code.

SECTION 39.  The heading to Section 162.2025, Tax Code, is amended to read as follows:

Sec. 162.2025.  SEPARATE STATEMENT OF TAXES [~~TAX~~] COLLECTED FROM PURCHASER.

SECTION 40.  Sections 162.2025(a), (b), and (c), Tax Code, are amended to read as follows:

(a)  In each subsequent sale of diesel fuel on which the taxes imposed by this subchapter have [~~tax has~~] been paid, the taxes [~~tax imposed by this subchapter~~] shall be collected from the purchaser so that the taxes are [~~tax is~~] paid ultimately by the person who uses the diesel fuel. Diesel fuel is considered to be used when it is delivered into a fuel supply tank.

(b)  The taxes [~~tax~~] imposed by this subchapter must be stated separately from the sales price of diesel fuel and identified as diesel fuel taxes [~~tax~~] on the invoice or receipt issued to a purchaser. Backup diesel fuel taxes [~~tax~~] may be identified as diesel fuel taxes [~~tax~~]. The taxes [~~tax~~] must be separately stated and identified in the same manner on a shipping document, if the shipping document includes the sales price of the diesel fuel.

(c)  Except as provided by Subsection (d), the sales price of diesel fuel stated on an invoice, receipt, or shipping document is presumed to be exclusive of the taxes [~~tax~~] imposed by this subchapter. The seller or purchaser may overcome the presumption by using the seller's records to show that the taxes [~~tax~~] imposed by this subchapter were [~~was~~] included in the sales price.

SECTION 41.  The heading to Section 162.203, Tax Code, is amended to read as follows:

Sec. 162.203.  BACKUP STATE DIESEL FUEL TAX; LIABILITY.

SECTION 42.  Sections 162.203(a) and (c), Tax Code, are amended to read as follows:

(a)  A backup tax is imposed at the rate prescribed by Section 162.202(a) [~~162.202~~] on:

(1)  a person who obtains a refund of tax on diesel fuel by claiming the diesel fuel was used for an off-highway purpose, but actually uses the diesel fuel to operate a motor vehicle on a public highway;

(2)  a person who operates a motor vehicle on a public highway using diesel fuel on which tax has not been paid;

(3)  a person who sells to the ultimate consumer diesel fuel on which a tax has not been paid and who knew or had reason to know that the diesel fuel would be used for a taxable purpose; and

(4)  a person, other than a person exempted under Section 162.204, who acquires diesel fuel on which tax has not been paid from any source in this state.

(c)  The tax imposed by [~~under~~] Subsection (a)(3) is also imposed on the ultimate consumer.

SECTION 43.  Subchapter C, Chapter 162, Tax Code, is amended by adding Section 162.2035 to read as follows:

Sec. 162.2035.  BACKUP COUNTY DIESEL FUEL TAX; LIABILITY. (a) A backup tax is imposed at the rate prescribed by Section 162.202(b) on:

(1)  a person who, in a taxing county:

(A)  delivers diesel fuel into the fuel supply tank of a motor vehicle;

(B)  purchases or receives diesel fuel from another person; or

(C)  sells or delivers diesel fuel to another person; and

(2)  a person who obtains a refund of the tax imposed by Section 162.2011 for diesel fuel that the person delivered into the fuel supply tank of a motor vehicle, purchased or acquired, or sold or delivered in a taxing county.

(b)  A person who sells diesel fuel subject to the tax imposed by this section shall at the time of sale collect the tax from the purchaser or recipient of the diesel fuel in addition to the selling price and is liable to this state for the taxes collected at the time and in the manner provided by this chapter.

(c)  The following are exempt from the tax imposed by this section:

(1)  diesel fuel on which the tax imposed by Section 162.2011 had been paid; and

(2)  diesel fuel exempt under Section 162.204.

(d)  The tax imposed by this section is in addition to any penalty imposed under this chapter.

SECTION 44.  Sections 162.204(a) and (g), Tax Code, are amended to read as follows:

(a)  The taxes [~~tax~~] imposed by this subchapter do [~~does~~] not apply to:

(1)  diesel fuel sold to the United States for its exclusive use, provided that the exemption does not apply to diesel fuel sold or delivered to a person operating under a contract with the United States;

(2)  diesel fuel sold to a public school district in this state for the district's exclusive use;

(3)  diesel fuel sold to a commercial transportation company or a metropolitan rapid transit authority operating under Chapter 451, Transportation Code, that provides public school transportation services to a school district under Section 34.008, Education Code, and that uses the diesel fuel only to provide those services;

(4)  diesel fuel exported by either a licensed supplier or a licensed exporter from this state to any other state, provided that the bill of lading indicates the destination state and the supplier collects the destination state tax;

(5)  diesel fuel moved by truck or railcar between licensed suppliers or licensed permissive suppliers and in which the diesel fuel removed from the first terminal comes to rest in the second terminal, provided that the removal from the second terminal rack is subject to the state diesel fuel tax imposed by this subchapter;

(6)  diesel fuel delivered or sold into a storage facility of a licensed aviation fuel dealer from which the diesel fuel will be delivered solely into the fuel supply tanks of aircraft or aircraft servicing equipment, or sold from one licensed aviation fuel dealer to another licensed aviation fuel dealer who will deliver the diesel fuel exclusively into the fuel supply tanks of aircraft or aircraft servicing equipment;

(7)  diesel fuel exported to a foreign country if the bill of lading indicates the foreign destination and the fuel is actually exported to the foreign country;

(8)  dyed diesel fuel sold or delivered by a supplier to another supplier and dyed diesel fuel sold or delivered by a supplier or distributor into the bulk storage facility of a dyed diesel fuel bonded user or to a purchaser who provides a signed statement as provided by Section 162.206;

(9)  the volume of water, fuel ethanol, renewable diesel, biodiesel, or mixtures thereof that are blended together with taxable diesel fuel when the finished product sold or used is clearly identified on the retail pump, storage tank, and sales invoice as a combination of diesel fuel and water, fuel ethanol, renewable diesel, biodiesel, or mixtures thereof;

(10)  dyed diesel fuel sold by a supplier or permissive supplier to a distributor, or by a distributor to another distributor;

(11)  dyed diesel fuel delivered by a license holder into the fuel supply tanks of railway engines, motorboats, or refrigeration units or other stationary equipment powered by a separate motor from a separate fuel supply tank;

(12)  dyed kerosene when delivered by a supplier, distributor, or importer into a storage facility at a retail business from which all deliveries are exclusively for heating, cooking, lighting, or similar nonhighway use;

(13)  diesel fuel used by a person, other than a political subdivision, who owns, controls, operates, or manages a commercial motor vehicle as defined by Section 548.001, Transportation Code, if the fuel:

(A)  is delivered exclusively into the fuel supply tank of the commercial motor vehicle; and

(B)  is used exclusively to transport passengers for compensation or hire between points in this state on a fixed route or schedule;

(14)  diesel fuel sold to a volunteer fire department in this state for the department's exclusive use; or

(15)  diesel fuel sold to a nonprofit entity that is organized for the sole purpose of and engages exclusively in providing emergency medical services and that uses the diesel fuel exclusively to provide emergency medical services, including rescue and ambulance services.

(g)  In lieu of claiming the exemption and complying with the labeling requirements provided by Subsection (a)(9), a person to whom Section 162.201 applies may elect to collect and remit the taxes [~~tax~~] otherwise imposed by [~~under~~] this subchapter on the materials described by Subsection (a)(9) as if the materials were taxable diesel fuel. The labeling requirements provided by Subsection (a)(9) do not apply to a dealer who sells taxable diesel fuel blended with materials described by Subsection (a)(9) on which a tax has been paid as provided by this subsection. Materials described by Subsection (a)(9) on which a tax has been paid as provided by this subsection are not exempt from taxation [~~tax~~] under Subsection (a)(9) on a subsequent sale, and a license holder or other purchaser is not entitled to a refund or credit under Subsection (a)(9) for a purchase of taxable diesel fuel blended with those materials.

SECTION 45.  Section 162.205(a), Tax Code, is amended to read as follows:

(a)  A person shall obtain the appropriate license or licenses issued by the comptroller before conducting the activities of:

(1)  a supplier, who may also act as a distributor, importer, exporter, blender, motor fuel transporter, dealer, or aviation fuel dealer without securing a separate license, but who is subject to all other conditions, requirements, and liabilities imposed on those license holders;

(2)  a permissive supplier, who may also act as a distributor, importer, exporter, blender, motor fuel transporter, dealer, or aviation fuel dealer without securing a separate license but who is subject to all other conditions, requirements, and liabilities imposed on those license holders;

(3)  a distributor, who may also act as an importer, exporter, blender, [~~or~~] motor fuel transporter, or dealer without securing a separate license, but who is subject to all other conditions, requirements, and liabilities imposed on those license holders;

(4)  an importer, who may also act as an exporter, blender, [~~or~~] motor fuel transporter, or dealer without securing a separate license, but who is subject to all other conditions, requirements, and liabilities imposed on those license holders;

(5)  a terminal operator;

(6)  an exporter;

(7)  a blender;

(8)  a motor fuel transporter;

(9)  an aviation fuel dealer;

(10)  an interstate trucker; [~~or~~]

(11)  a dyed diesel fuel bonded user; or

(12)  a dealer.

SECTION 46.  Section 162.206(d), Tax Code, is amended to read as follows:

(d)  Any gallons purchased or sold in excess of the limitations prescribed by Subsection (c) constitute a [~~taxable purchase or~~] sale subject to the taxes imposed by this chapter. A purchaser that exceeds the limitations prescribed by Subsection (c) shall be required to obtain a dyed diesel fuel bonded user license.

SECTION 47.  Sections 162.208(a) and (b), Tax Code, are amended to read as follows:

(a)  A person may elect to obtain a permissive supplier license to collect the state diesel fuel tax imposed by [~~under~~] this subchapter for diesel fuel that is removed at a terminal in another state and has this state as the destination state.

(b)  With respect to diesel fuel that is removed by the licensed permissive supplier at a terminal located in another state and that has this state as the destination state, a licensed permissive supplier shall:

(1)  collect the state diesel fuel tax due to this state on the diesel fuel;

(2)  waive any defense that this state lacks jurisdiction to require the supplier to collect the state diesel fuel tax due to this state on the diesel fuel under this subchapter;

(3)  report and pay the state diesel fuel tax due on the diesel fuel in the same manner as if the removal had occurred at a terminal located in this state;

(4)  keep records of the removal of the diesel fuel and submit to audits concerning the diesel fuel as if the removal had occurred at a terminal located in this state; and

(5)  report sales by the permissive supplier to a person who is not licensed in this state.

SECTION 48.  Section 162.209, Tax Code, is amended by adding Subsection (a-1) to read as follows:

(a-1)  In addition to the information required by Subsection (a), an applicant for a license as a dealer must list on the application:

(1)  the street address, city, county, and zip code of the location for which the applicant seeks a license to sell or dispense motor fuel at retail;

(2)  the applicant's social security number, driver's license number, and federal employer identification number if the applicant is a natural person who is not licensed as a supplier, permissive supplier, or terminal operator; and

(3)  if the applicant is a corporation, limited liability company, professional association, partnership or other entity that is not licensed as a supplier, permissive supplier, or terminal operator and is not wholly owned by an entity that is licensed as a supplier, permissive supplier, or terminal operator, the physical address, mailing address, social security number, and driver's license number of:

(A)  each natural person responsible for the purchase of motor fuel for sale by the applicant; and

(B)  each officer, director, manager, member, shareholder, and partner of the applicant.

SECTION 49.  Section 162.211(a), Tax Code, is amended to read as follows:

(a)  The license issued to a supplier, permissive supplier, distributor, importer, terminal supplier, exporter, blender, dealer, motor fuel transporter, or dyed diesel fuel bonded user is permanent and is valid during the period the license holder has in force and effect the required bond or security and furnishes timely reports and supplements as required, or until the license is surrendered by the holder or canceled by the comptroller. The comptroller shall cancel a license under this subsection if a purchase, sale, or use of diesel fuel has not been reported by the license holder during the previous nine months.

SECTION 50.  Section 162.212(a), Tax Code, is amended to read as follows:

(a)  The comptroller shall determine the amount of security required of a supplier, permissive supplier, distributor, exporter, importer, dealer, blender, or dyed diesel fuel bonded user, taking into consideration the amount of tax that has or is expected to become due from the person, any past history of the person as a license holder under this chapter and its predecessor, and the necessity to protect this state against the failure to pay the tax as the tax becomes due.

SECTION 51.  Section 162.213(a), Tax Code, is amended to read as follows:

(a)  The comptroller, on or before December 20 of each year, shall make available to all license holders an alphabetical list of licensed suppliers, permissive suppliers, distributors, aviation fuel dealers, importers, exporters, blenders, dealers, terminal operators, and dyed diesel fuel bonded users. A supplemental list of additions and deletions shall be made available to the license holders each month. A current and effective license or the list furnished by the comptroller is evidence of the validity of the license until the comptroller notifies license holders of a change in the status of a license holder.

SECTION 52.  Sections 162.214(c), (d), (d-1), and (e), Tax Code, are amended to read as follows:

(c)  If the supplier or permissive supplier cannot secure from the licensed distributor or licensed importer payment of taxes due for state diesel fuel removed from the terminal during the previous reporting period and the supplier elects to take a credit against a subsequent payment of diesel fuel tax to this state for the taxes not remitted to the supplier or permissive supplier by the licensed distributor or licensed importer, the supplier or permissive supplier shall notify the comptroller of the licensed distributor's or licensed importer's failure to remit tax in conjunction with the report requesting a credit.

(d)  The supplier or permissive supplier, after requesting a credit under this section, shall terminate the ability of the licensed distributor or licensed importer to defer the payment of state diesel fuel tax. The supplier or permissive supplier may not reinstate the right of the licensed distributor or licensed importer to defer the payment of state diesel fuel tax until the first anniversary of the date the supplier or permissive supplier requested the credit, subject to Subsection (d-1).

(d-1)  A supplier or permissive supplier may reinstate the right of a licensed distributor or licensed importer to defer the payment of state diesel fuel tax before the date prescribed by Subsection (d) if the comptroller determines that:

(1)  the supplier or permissive supplier erroneously requested the credit that resulted in the termination of the licensed distributor's or licensed importer's right to defer payment; or

(2)  the licensed distributor or licensed importer failed to pay state diesel fuel taxes due because of circumstances that may have been outside the distributor's or importer's control.

(e)  A licensed distributor or licensed importer who makes timely payments of the state diesel fuel tax imposed by [~~under~~] this subchapter is entitled to retain an amount equal to 1.75 percent of the total state diesel fuel tax [~~taxes~~] to be paid to the supplier or permissive supplier to cover administrative expenses.

SECTION 53.  Section 162.215(a), Tax Code, is amended to read as follows:

(a)  Except as provided by Subsection (b), each person who is liable for the taxes [~~tax~~] imposed by this subchapter, a terminal operator, a dealer, and a licensed distributor shall file a return on or before the 25th day of the month following the end of each calendar month.

SECTION 54.  Sections 162.216(b), (c), (e), (g), and (h), Tax Code, are amended to read as follows:

(b)  A distributor shall keep:

(1)  a record showing the number of gallons of:

(A)  all diesel fuel inventories on hand at the first of each month;

(B)  all diesel fuel blended;

(C)  all diesel fuel purchased or received, showing the name of the seller and the date of each purchase or receipt;

(D)  all diesel fuel sold, distributed, or used, showing:

(i)  the name of the purchaser;

(ii)  the county or counties in this state;

(iii)  the amount of county diesel fuel collected from the purchaser; and

(iv)  the date of the sale, distribution, or use; and

(E)  all diesel fuel lost by fire, theft, or accident;

(2)  an itemized statement showing by load the number of gallons of all diesel fuel:

(A)  received during the preceding calendar month for export and the location of the loading;

(B)  sold, distributed, or used, showing:

(i)  the name of the purchaser;

(ii)  the destination county or counties in this state;

(iii)  the amount of county diesel fuel tax collected from the purchaser; and

(iv)  the date of the sale, distribution, or use;

(C)  exported from this state by destination state or country; and

(D) [~~(C)~~]  imported during the preceding calendar month, by state or country of origin; [~~and~~]

(3)  for diesel fuel exported outside this state, proof of payment of tax to the destination state, in a form acceptable to the comptroller; and

(4)  all shipping documents.

(c)  An importer shall keep:

(1)  a record showing the number of gallons of:

(A)  all diesel fuel inventories on hand at the first of each month;

(B)  all diesel fuel compounded or blended;

(C)  all diesel fuel purchased or received, showing the name of the seller and the date of each purchase or receipt;

(D)  all diesel fuel sold, distributed, or used, showing the name of the purchaser, the county in this state, and the date of the sale, distribution, or use; and

(E)  all diesel fuel lost by fire, theft, or accident; and

(2)  an itemized statement showing by load the number of gallons of all diesel fuel:

(A)  received during the preceding calendar month for export and the location of the loading;

(B)  sold, distributed, or used, showing the name of the purchaser, the county or counties in this state, and the date of sale, distribution, or use;

(C)  exported from this state, by destination state or country; and

(D) [~~(C)~~]  imported during the preceding calendar month, by state or country of origin.

(e)  A blender shall keep a record showing the number of gallons of:

(1)  all diesel fuel inventories on hand at the first of each month;

(2)  all diesel fuel compounded or blended;

(3)  all diesel fuel purchased or received, showing the name of the seller and the date of each purchase or receipt;

(4)  all diesel fuel sold, distributed, or used, showing the name of the purchaser, the county in this state, and the date of the sale, distribution, or use; and

(5)  all diesel fuel lost by fire, theft, or accident.

(g)  A motor fuel transporter shall keep a complete and separate record of each intrastate and interstate transportation of diesel fuel, showing:

(1)  the date of transportation;

(2)  the name of the consignor and consignee;

(3)  the method of transportation;

(4)  the quantity and kind of diesel fuel transported;

(5)  full data concerning the diversion of shipments, including the county in this state and the number of gallons diverted from interstate to intrastate and intrastate to interstate commerce; and

(6)  the points of origin and destination, the county in this state, the number of gallons shipped or transported, the date, the consignee and the consignor, and the kind of diesel fuel that has been diverted.

(h)  A dealer shall keep a record showing the number of gallons of:

(1)  diesel fuel inventories on hand at the first of each month;

(2)  all diesel fuel purchased or received, showing the name of the seller and the date of each purchase or receipt;

(3)  all diesel fuel sold or used, showing the date of the sale or use; [~~and~~]

(4)  all diesel fuel lost by fire, theft, or accident; and

(5)  all shipping documents.

SECTION 55.  Section 162.217(c), Tax Code, is amended to read as follows:

(c)  A supplier or permissive supplier may take a credit for any state gasoline tax [~~taxes~~] that was [~~were~~] not remitted in a previous period to the supplier or permissive supplier by a licensed distributor or licensed importer as required by Section 162.214. The supplier or permissive supplier is eligible to take this credit if the comptroller is notified of the default within 15 days after the default occurs. If a license holder pays to a supplier or permissive supplier the tax owed, but the payment occurs after the supplier or permissive supplier has taken a credit on its return, the supplier or permissive supplier shall remit the payment to the comptroller with the next monthly return after receipt of the tax, plus a penalty of 10 percent of the amount of unpaid taxes and interest at the rate provided by Section 111.060 beginning on the date the credit is taken.

SECTION 56.  Section 162.219, Tax Code, is amended to read as follows:

Sec. 162.219.  INFORMATION REQUIRED ON DISTRIBUTOR'S RETURN; PAYMENT OF TAXES AND ALLOWANCES. (a) The monthly return and supplements of each distributor shall contain for the period covered by the return:

(1)  the number of net gallons of diesel fuel received by the distributor during the month, sorted by product code, seller, point of origin, destination state, carrier, and receipt date;

(2)  the number of net gallons of diesel fuel removed at a terminal rack by the distributor during the month, sorted by product code, seller, terminal code, and carrier;

(3)  the number of net gallons of diesel fuel removed by the distributor during the month for export, sorted by product code, terminal code, bulk plant address, destination state, and carrier;

(4)  the number of net gallons of diesel fuel removed by the distributor during the month from a terminal located in another state for conveyance to this state, as indicated on the shipping document for the diesel fuel, sorted by product code, seller, terminal code, bulk plant address, and carrier;

(5)  the number of net gallons of diesel fuel the distributor sold during the month in transactions exempt under Section 162.204, dyed diesel fuel sold to a purchaser under a signed statement, or dyed diesel fuel sold to a dyed diesel fuel bonded user, sorted by product code and by the entity receiving the diesel fuel; [~~and~~]

(6)  the number of net gallons delivered into a taxing county sorted by taxing county and purchaser; and

(7)  any other information required by the comptroller.

(b)  A distributor or importer who makes timely payments of the county tax imposed by this subchapter is entitled to retain an amount equal to two percent of the total county diesel fuel taxes remitted to the comptroller to cover administrative expenses.

SECTION 57.  Section 162.224, Tax Code, is amended to read as follows:

Sec. 162.224.  INFORMATION REQUIRED ON BLENDER'S RETURN. The monthly return and supplements of each blender shall contain for the period covered by the return:

(1)  the number of net gallons of diesel fuel received by the blender during the month, sorted by product code, seller, point of origin, carrier, and receipt date;

(2)  the number of net gallons of product blended with diesel fuel during the month, sorted by product code, type of blending agent if no product code exists, seller, and carrier;

(3)  the number of net gallons of blended diesel fuel sold during the month and the license number or name, [~~and~~] address, and county in this state of the entity receiving the blended diesel fuel; and

(4)  any other information required by the comptroller.

SECTION 58.  Subchapter C, Chapter 162, Tax Code, is amended by adding Section 162.2245 to read as follows:

Sec. 162.2245.  INFORMATION REQUIRED ON DEALER'S RETURN. The monthly return and supplements of each dealer shall contain for the period covered by the return:

(1)  the number of gallons of diesel fuel inventories on hand at the first of each month, sorted by product code;

(2)  the number of gallons of diesel fuel received by the dealer during the month, sorted by seller;

(3)  the number of gallons of diesel fuel inventories on hand at the end of each month; and

(4)  any other information required by the comptroller.

SECTION 59.  Sections 162.227(f-1) and (f-2), Tax Code, are amended to read as follows:

(f-1)  A volunteer fire department exempt from the taxes [~~tax~~] imposed under this subchapter that paid a tax on the purchase of diesel fuel is entitled to a refund of the tax paid, and the volunteer fire department may file a refund claim with the comptroller for that amount.

(f-2)  A nonprofit entity exempted under Section 162.204(a)(15) from the taxes [~~tax~~] imposed under this subchapter that paid a tax on the purchase of diesel fuel is entitled to a refund of the tax paid, and the entity may file a refund claim with the comptroller for that amount.

SECTION 60.  Sections 162.229(a) and (d), Tax Code, are amended to read as follows:

(a)  A refund claim must be filed on a form provided by the comptroller, be supported by the original invoice issued by the seller, and contain:

(1)  the stamped or preprinted name and address, including county, of the seller;

(2)  the name and address of the purchaser;

(3)  the date of delivery of the diesel fuel;

(4)  the date of the issuance of the invoice, if different from the date of fuel delivery;

(5)  the number of gallons of diesel fuel delivered;

(6)  the amount of state or county diesel fuel taxes paid [~~tax~~], either separately stated from the selling price or stated with a notation that both state and county taxes are included if both apply [~~the selling price includes the tax~~]; and

(7)  the type of vehicle or equipment into which the fuel is delivered.

(d)  A distributor or person who does not hold a license who files a valid refund claim with the comptroller shall be paid by a warrant issued by the comptroller. For purposes of this section, a distributor meets the requirement of filing a valid refund claim for state and county diesel fuel taxes if the distributor designates the gallons of diesel fuel sold or used that are the subject of the refund claim on the monthly report submitted by the distributor to the comptroller.

SECTION 61.  Sections 162.401(b), (c), and (f), Tax Code, are amended to read as follows:

(b)  The comptroller may add a penalty of 75 percent of the amount of taxes, penalties, and interest due if failure to file the report or pay the tax when it becomes due is attributable to fraud or an intent to evade the application of this chapter or a rule adopted under this chapter, [~~or~~] Chapter 111 of this code, or Chapter 616, Local Government Code.

(c)  The penalties provided by Subsection (b) are intended to be remedial in nature and are provided for the protection of state and taxing county revenue and to reimburse the state and taxing counties for expenses incurred as a result of fraud, including expenses incurred in conducting an investigation.

(f)  In addition to any other penalty authorized by this section, a person who fails to pay the tax imposed by Section 162.101(e-2), 162.1011(c), [~~or~~] 162.201(e-2), or 162.2011(d) when due shall pay a penalty equal to the greater of $2,000 or five times the amount of the taxes [~~tax~~] due on the motor fuel.

SECTION 62.  Sections 162.402(a), (c), and (d), Tax Code, are amended to read as follows:

(a)  A person forfeits to the state a civil penalty of not less than $25 and not more than $200 if the person:

(1)  refuses to stop and permit the inspection and examination of a motor vehicle transporting or using motor fuel on demand of a peace officer or the comptroller;

(2)  operates a motor vehicle in this state without a valid interstate trucker's license or a trip permit when the person is required to hold one of those licenses or permits;

(3)  transports gasoline or diesel fuel in any cargo tank that has a connection by pipe, tube, valve, or otherwise with the fuel injector or carburetor of, or with the fuel supply tank feeding the fuel injector or carburetor of, the motor vehicle transporting the product;

(4)  sells or delivers gasoline or diesel fuel from any fuel supply tank connected with the fuel injector or carburetor of a motor vehicle;

(5)  owns or operates a motor vehicle for which reports or mileage records are required by this chapter without an operating odometer or other device in good working condition to record accurately the miles traveled;

(6)  furnishes to a licensed supplier or distributor a signed statement for purchasing diesel fuel tax-free and then uses the tax-free diesel fuel to operate a diesel-powered motor vehicle on a public highway;

(7)  fails or refuses to comply with or violates a provision of this chapter;

(8)  fails or refuses to comply with or violates a comptroller's rule for administering or enforcing this chapter;

(9)  is an importer who does not obtain an import verification number when required by this chapter;

(10)  purchases motor fuel for export, on which the taxes [~~tax~~] imposed by this chapter have [~~has~~] not been paid, and subsequently diverts or causes the motor fuel to be diverted to a destination in this state or any other state or country other than the originally designated state or country without first obtaining a diversion number;

(11)  delivers compressed natural gas or liquefied natural gas into the fuel supply tank of a motor vehicle and the person does not hold a valid compressed natural gas and liquefied natural gas dealer's license; [~~or~~]

(12)  makes a tax-free delivery of compressed natural gas or liquefied natural gas into the fuel supply tank of a motor vehicle, unless the delivery is exempt from tax under Section 162.356; or

(13)  transports motor fuel to a county in this state other than the county stated on the shipping document.

(c)  A person receiving motor fuel who accepts a shipping document that does not conform with the requirements of Section 162.004 or 162.016(a) is liable to this state for a civil penalty of $2,000 or five times the amount of the unpaid tax, whichever is greater, for each occurrence.

(d)  A person who issues a shipping document that does not conform with the requirements of Section 162.004 or 162.016(a) is liable to this state for a civil penalty of $2,000 or five times the amount of the unpaid tax, whichever is greater, for each occurrence.

SECTION 63.  Section 162.403, Tax Code, is amended to read as follows:

Sec. 162.403.  CRIMINAL OFFENSES.  Except as provided by Section 162.404, a person commits an offense if the person:

(1)  refuses to stop and permit the inspection and examination of a motor vehicle transporting or using motor fuel on the demand of a peace officer or the comptroller;

(2)  is required to hold a valid trip permit or interstate trucker's license, but operates a motor vehicle in this state without a valid trip permit or interstate trucker's license;

(3)  transports gasoline or diesel fuel in any cargo tank that has a connection by pipe, tube, valve, or otherwise with the fuel injector or carburetor or with the fuel supply tank feeding the fuel injector or carburetor of the motor vehicle transporting the product;

(4)  sells or delivers gasoline or diesel fuel from a fuel supply tank that is connected with the fuel injector or carburetor of a motor vehicle;

(5)  owns or operates a motor vehicle for which reports or mileage records are required by this chapter without an operating odometer or other device in good working condition to record accurately the miles traveled;

(6)  sells or delivers dyed diesel fuel for the operation of a motor vehicle on a public highway;

(7)  uses dyed diesel fuel for the operation of a motor vehicle on a public highway except as allowed under Section 162.235;

(8)  refuses to permit the comptroller or the attorney general to inspect, examine, or audit a book or record required to be kept by a license holder, other user, or any person required to hold a license under this chapter;

(9)  refuses to permit the comptroller or the attorney general to inspect or examine any plant, equipment, materials, or premises where motor fuel is produced, processed, blended, stored, sold, delivered, or used;

(10)  refuses to permit the comptroller, the attorney general, an employee of either of those officials, a peace officer, an employee of the Texas Commission on Environmental Quality, or an employee of the Department of Agriculture to measure or gauge the contents of or take samples from a storage tank or container on premises where motor fuel is produced, processed, blended, stored, sold, delivered, or used;

(11)  is a license holder, a person required to be licensed, or another user and fails or refuses to make or deliver to the comptroller a report required by this chapter to be made and delivered to the comptroller;

(12)  is an importer who does not obtain an import verification number when required by this chapter;

(13)  purchases motor fuel for export, on which the taxes [~~tax~~] imposed by this chapter have [~~has~~] not been paid, and subsequently diverts or causes the motor fuel to be diverted to a destination in this state or any other state or country other than the originally designated state or country without first obtaining a diversion number;

(13-a) transports motor fuel to a county in this state other than the county stated on the shipping document;

(14)  conceals motor fuel with the intent of engaging in any conduct proscribed by this chapter or refuses to make sales of motor fuel on the volume-corrected basis prescribed by this chapter;

(15)  refuses, while transporting motor fuel, to stop the motor vehicle the person is operating when called on to do so by a person authorized to stop the motor vehicle;

(16)  refuses to surrender a motor vehicle and cargo for impoundment after being ordered to do so by a person authorized to impound the motor vehicle and cargo;

(17)  mutilates, destroys, or secretes a book or record required by this chapter to be kept by a license holder, other user, or person required to hold a license under this chapter;

(18)  is a license holder, other user, or other person required to hold a license under this chapter, or the agent or employee of one of those persons, and makes a false entry or fails to make an entry in the books and records required under this chapter to be made by the person or fails to retain a document as required by this chapter;

(19)  transports in any manner motor fuel under a false cargo manifest or shipping document, or transports in any manner motor fuel to a location without delivering at the same time a shipping document relating to that shipment;

(20)  engages in a motor fuel transaction that requires that the person have a license under this chapter without then and there holding the required license;

(21)  makes and delivers to the comptroller a report required under this chapter to be made and delivered to the comptroller, if the report contains false information;

(22)  forges, falsifies, or alters an invoice or shipping document prescribed by law;

(23)  makes any statement, knowing said statement to be false, in a claim for a tax refund filed with the comptroller;

(24)  furnishes to a licensed supplier or distributor a signed statement for purchasing diesel fuel tax-free and then uses the tax-free diesel fuel to operate a diesel-powered motor vehicle on a public highway;

(25)  holds an aviation fuel dealer's license and makes a taxable sale or use of any gasoline or diesel fuel;

(26)  fails to remit any tax funds collected or required to be collected by a license holder, another user, or any other person required to hold a license under this chapter;

(27)  makes a sale of dyed diesel fuel tax-free into a storage facility of a person who:

(A)  is not licensed as a distributor, as an aviation fuel dealer, or as a dyed diesel fuel bonded user; or

(B)  does not furnish to the licensed supplier or distributor a signed statement prescribed in Section 162.206;

(28)  makes a sale of gasoline tax-free to any person who is not licensed as an aviation fuel dealer;

(29)  purchases any motor fuel tax-free when not authorized to make a tax-free purchase under this chapter;

(30)  purchases motor fuel with the intent to evade any tax imposed by this chapter or accepts a delivery of motor fuel by any means and does not at the same time accept or receive a shipping document relating to the delivery;

(31)  transports motor fuel for which a cargo manifest or shipping document is required to be carried without possessing or exhibiting on demand by an officer authorized to make the demand a cargo manifest or shipping document containing the information required to be shown on the manifest or shipping document;

(32)  imports, sells, uses, blends, distributes, or stores motor fuel within this state on which a tax [~~the taxes~~] imposed by this chapter is [~~are~~] owed but has [~~have~~] not been first paid to or reported by a license holder, another user, or any other person required to hold a license under this chapter;

(33)  blends products together to produce a blended fuel that is offered for sale, sold, or used and that expands the volume of the original product to evade paying applicable motor fuel taxes;

(34)  evades or attempts to evade in any manner a tax imposed on motor fuel by this chapter;

(35)  delivers compressed natural gas or liquefied natural gas into the fuel supply tank of a motor vehicle and the person does not hold a valid compressed natural gas and liquefied natural gas dealer's license; or

(36)  makes a tax-free delivery of compressed natural gas or liquefied natural gas into the fuel supply tank of a motor vehicle, unless the delivery is exempt from tax under Section 162.356.

SECTION 64.  Section 162.405(d), Tax Code, is amended to read as follows:

(d)  An offense under Section 162.403(6), (13-a), (17), (18), (19), (20), (21), (22), (23), or (24) is a felony of the third degree.

SECTION 65.  Section 20.002(d), Transportation Code, is amended to read as follows:

(d)  The fee imposed by this section is equal to 25 percent of the diesel fuel tax rate imposed under Section 162.202(a) [~~162.202~~], Tax Code.

SECTION 66.  (a) A county may not impose a motor fuels tax under Chapter 616, Local Government Code, as added by this Act, before the effective date of rules adopted by the comptroller of public accounts under Section 616.102, Local Government Code, as added by this Act.

(b)  The comptroller of public accounts shall adopt the rules required by Section 616.102, Local Government Code, as added by this Act, not later than December 1, 2019.

SECTION 67.  If the constitution of this state requires that one-fourth of the county motor fuels tax authorized by this Act be allocated to the available school fund, the county shall deposit that money into an account separate from the money collected under other provisions of this Act and shall allocate the money to the comptroller of public accounts for deposit in the state treasury for the purpose required by the constitution.

SECTION 68.  This Act takes effect September 1, 2019.