

By: Canales

H.B. No. 2218

A BILL TO BE ENTITLED

AN ACT

relating to the rates of the state gasoline and diesel fuel taxes;
authorizing a change in tax rates.

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

SECTION 1. Section 162.102, Tax Code, is amended to read as follows:

Sec. 162.102. TAX RATE. Except as provided by Section 162.1026, the ~~The~~ gasoline tax rate is 20 cents for each net gallon or fractional part on which the tax is imposed under Section 162.101.

SECTION 2. Subchapter B, Chapter 162, Tax Code, is amended by adding Section 162.1026 to read as follows:

Sec. 162.1026. ANNUAL RATE CHANGE ACCORDING TO CONSUMER PRICE INDEX. (a) In this section:

(1) "Consumer price index" means the consumer price index for all urban consumers for all items and for all regions of the United States combined, as determined by the United States Department of Labor, Bureau of Labor Statistics, or, if that index is discontinued or superseded, a similar index selected or calculated by the comptroller.

(2) "Consumer price index percentage change" means the percentage increase or decrease in the consumer price index of a given state fiscal year from the consumer price index of the preceding state fiscal year.

1 (b) On January 1 of each year, the rate of the gasoline tax
2 imposed under this subchapter is increased or decreased by a
3 percentage that is equal to the consumer price index percentage
4 change for the preceding fiscal year.

5 (c) Not later than November 1 of each year, the comptroller
6 shall:

7 (1) compute the new tax rate as provided by this
8 section;

9 (2) give the new tax rate to the secretary of state for
10 publication in the Texas Register; and

11 (3) notify each license holder under this subchapter
12 of the applicable new tax rate.

13 SECTION 3. Section 162.103(a), Tax Code, is amended to read
14 as follows:

15 (a) A backup tax is imposed at the rate prescribed by
16 Sections [Section] 162.102 and 162.1026 on:

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

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

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

26 (4) a person, other than a person exempted under
27 Section 162.104, who acquires gasoline on which tax has not been

1 paid from any source in this state.

2 SECTION 4. Section 162.202, Tax Code, is amended to read as
3 follows:

4 Sec. 162.202. TAX RATE. Except as provided by Section
5 162.2026, the [The] diesel fuel tax rate is 20 cents for each net
6 gallon or fractional part on which the tax is imposed under Section
7 162.201.

8 SECTION 5. Subchapter C, Chapter 162, Tax Code, is amended
9 by adding Section 162.2026 to read as follows:

10 Sec. 162.2026. ANNUAL RATE CHANGE ACCORDING TO CONSUMER
11 PRICE INDEX. (a) In this section:

12 (1) "Consumer price index" means the consumer price
13 index for all urban consumers for all items and for all regions of
14 the United States combined, as determined by the United States
15 Department of Labor, Bureau of Labor Statistics, or, if that index
16 is discontinued or superseded, a similar index selected or
17 calculated by the comptroller.

18 (2) "Consumer price index percentage change" means the
19 percentage increase or decrease in the consumer price index of a
20 given state fiscal year from the consumer price index of the
21 preceding state fiscal year.

22 (b) On January 1 of each year, the rate of the diesel fuel
23 tax imposed under this subchapter is increased or decreased by a
24 percentage that is equal to the consumer price index percentage
25 change for the preceding fiscal year.

26 (c) Not later than November 1 of each year, the comptroller
27 shall:

- 1 (1) compute the new tax rate as provided by this
2 section;
3 (2) give the new tax rate to the secretary of state for
4 publication in the Texas Register; and
5 (3) notify each license holder under this subchapter
6 of the applicable new tax rate.

7 SECTION 6. Section 162.203(a), Tax Code, is amended to read
8 as follows:

9 (a) A backup tax is imposed at the rate prescribed by
10 Sections [Section] 162.202 and 162.2026 on:

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

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

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

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

23 SECTION 7. This Act takes effect September 1, 2021.