

By: Thierry

H.B. No. 3474

A BILL TO BE ENTITLED

AN ACT

relating to motor fuel taxes.

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

SECTION 1. Section 162.001, Tax Code, is amended by amending Subdivisions (1), (14), (42), (43), (56), and (61) and adding Subdivisions (16-a) and (17-a) to read as follows:

(1) "Agricultural purpose" means a purpose associated with the following activities:

(A) cultivating the soil;

(B) producing crops for human food, animal feed, or planting seed or for the production of fibers;

(C) floriculture, viticulture, silviculture, and horticulture, including the cultivation of plants in potting containers or nonsoil media;

(D) raising, feeding, or keeping livestock or other animals for the production of food or fiber, leather, pelts, or other tangible products having a commercial value;

(E) wildlife management; and

(F) planting cover crops, including cover crops cultivated for transplantation, or leaving land idle for the purpose of participating in any governmental program or normal crop or livestock rotation procedure.

(14) "Cargo tank" means an assembly that is used to transport, haul, or deliver liquids and that consists of a tank

1 having one or more compartments [~~mounted~~] on a wagon, automobile,
2 truck, trailer, or wheels. The term includes accessory piping,
3 valves, and meters, but does not include a fuel supply tank
4 connected to the carburetor or fuel injector of a motor vehicle.

5 (16-a) "Container" means any receptacle used to store
6 motor fuel.

7 (17-a) "Delivery" means any transfer of motor fuel:

8 (A) into a fuel supply tank, cargo tank, or
9 container; or

10 (B) to a location or into a receptacle, as
11 specified by this chapter in connection with the term.

12 (42) "Motor fuel" means gasoline, diesel fuel,
13 gasoline blended fuel, compressed natural gas, liquefied natural
14 gas, and other products that are offered for sale, sold, used, or
15 capable of use as fuel for a motor vehicle licensed for use on a
16 public highway [~~gasoline-powered engine or a diesel-powered~~
17 ~~engine~~].

18 (43) "Motor fuel transporter" means a person who
19 transports gasoline, diesel fuel, gasoline blended fuel, aviation
20 fuel, or any other motor fuel, except liquefied gas, compressed
21 natural gas, or liquefied natural gas, outside the bulk
22 transfer/terminal system by means of a transport vehicle, a
23 railroad tank car, or a marine vessel. The term does not include a
24 person who [+

25 [~~(A)~~] is licensed under this chapter as a
26 supplier, permissive supplier, or distributor [+] and:

27 (A) [~~(B)~~] exclusively transports gasoline,

1 diesel fuel, gasoline blended fuel, aviation fuel, or any other
2 motor fuel to which the person retains ownership while the fuel is
3 being transported by the person; or

4 (B) lawfully acquires motor fuel and retains
5 ownership of the fuel while the fuel is being transported.

6 (56) "Solid waste refuse vehicle" means a motor
7 vehicle equipped with a power takeoff or auxiliary power unit that
8 provides power to compact the refuse, open the back of the refuse
9 container before ejection, and eject the compacted refuse.

10 (61) "Transport vehicle" means any ~~[a]~~ vehicle
11 ~~[designed or]~~ used to carry motor fuel over a public highway and
12 includes a motor vehicle, straight truck, straight truck/trailer
13 combination, ~~[and]~~ semitrailer combination rig, and motor
14 vehicle/trailer combination.

15 SECTION 2. Section 162.101, Tax Code, is amended by
16 amending Subsection (g) and adding Subsection (h) to read as
17 follows:

18 (g) In each subsequent sale of gasoline on which the tax has
19 been paid, the amount of the tax shall be added to the selling price
20 so that the tax is paid by each person receiving the gasoline until
21 it is paid ultimately by the person using or consuming the gasoline.

22 (h) Gasoline is considered to be used when it is delivered
23 into a fuel supply tank.

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

26 (a) A backup tax is imposed at the rate prescribed by
27 Section 162.102 on:

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

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

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

10 (4) a person, other than a person exempted under
11 Section 162.104, who acquires gasoline on which tax has not been
12 paid:

13 (A) in an original or subsequent sale; or

14 (B) from any source in this state; and,

15 (5) a person who purchases gasoline via the
16 unauthorized use of a credit card, debit card, or other funds, or
17 who acquires motor fuel through any unlawful means, regardless of
18 whether tax has been previously paid.

19 SECTION 4. Section 162.201, Tax Code, is amended by
20 amending Subsection (g) and adding Subsection (h) to read as
21 follows:

22 (g) In each subsequent sale of diesel fuel on which the tax
23 has been paid, the amount of the tax shall be added to the selling
24 price so that the tax is paid by each person receiving the diesel
25 fuel until it is paid ultimately by the person using or consuming
26 the diesel fuel.

27 (h) Diesel fuel is considered to be used when it is

1 delivered into a fuel supply tank.

2 SECTION 5. Section 162.203(a), Tax Code, is amended to read
3 as follows:

4 (a) A backup tax is imposed at the rate prescribed by
5 Section 162.202 on:

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

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

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

15 (4) a person, other than a person exempted under
16 Section 162.204, who acquires diesel fuel on which tax has not been
17 paid:

18 (A) in an original or subsequent sale; or

19 (B) from any source in this state; and,

20 (5) a person who purchases diesel fuel via the
21 unauthorized use of a credit card, debit card, or other funds, or
22 who acquires motor fuel through any unlawful means, regardless of
23 whether tax has been previously paid.

24 SECTION 6. The changes in law made by this Act do not affect
25 tax liability accruing before the effective date of this Act. That
26 liability continues in effect as if this Act had not been enacted,
27 and the former law is continued in effect for the collection of

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1 taxes due and for civil and criminal enforcement of the liability
2 for those taxes.

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