

## **BILL ANALYSIS**

H.B. 1109  
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Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, state law provides motor fuel tax exemptions for various governmental and nonprofit entities, such as public school districts, volunteer fire departments, and nonprofit food banks. However, fuel sold to counties in Texas for the county's exclusive use is not included in this exemption, forcing counties to pay taxes on gasoline and diesel fuel used for official operations. This places a financial burden on counties, which rely on fuel for essential services such as law enforcement, road maintenance, and emergency response. H.B. 1109 seeks to address this issue by exempting counties from state motor fuel taxes on gasoline and diesel fuel purchased for the county's exclusive use.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1109 amends the Tax Code to exempt gasoline and diesel fuel sold to a county in Texas for the county's exclusive use from the applicable motor fuel tax. The bill authorizes the holder of an applicable license to take a credit on a return for the period in which a sale occurred for which the license holder paid tax on the purchase of gasoline or diesel fuel and subsequently resold the motor fuel without collecting the applicable tax to a county in Texas for the county's exclusive use. The bill entitles a county exempt from the gasoline tax or diesel fuel tax to a refund of any such tax paid and authorizes the county to file a refund claim with the comptroller of public accounts for that amount.

H.B. 1109 expressly does not affect tax liability accruing before the bill's effective date. That liability continues in effect as if the bill had not been enacted, and the former law is continued in effect for the collection of taxes due for civil and criminal enforcement of the liability of those taxes.

### **EFFECTIVE DATE**

July 1, 2025, or, if the bill does not receive the necessary vote, September 1, 2025.