

BILL ANALYSIS

Senate Research Center
83R18838 BEF-D

H.B. 3086
By: Darby (Huffman)
Finance
5/13/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The diesel fuel tax is imposed at the terminal rack. Current law provides multiple exemptions from this tax, including the portion or volume of water, fuel ethanol, renewable diesel, biodiesel, or mixtures thereof blended with taxable diesel that meets certain labeling and other requirements. According to some fuel retailers, the taxation labeling and reporting requirements needed to maintain this exemption are burdensome and create additional costs.

H.B. 3086 amends current law relating to an optional exemption from the diesel fuel tax for materials blended with taxable diesel fuel.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 162.204, Tax Code, by adding Subsection (g), as follows:

(g) Authorizes a person to whom Section 162.201 (Point of Imposition of Diesel Fuel Tax) applies to elect to collect and remit the tax otherwise imposed under this subchapter on the materials described by Subsection (a)(9) (relating to providing that a tax imposed by this subchapter does not apply to 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) as if the materials were taxable diesel fuel in lieu of claiming the exemption and complying with the labeling requirements provided by Subsection (a)(9). Provides that 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 tax has been paid as provided by this subsection. Provides that materials described by Subsection (a)(9) on which tax has been paid as provided by this subsection are not exempt from 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 2. Provides that the change in law made by this Act does not affect tax liability accruing before the effective date of this Act. Provides that tax liability accruing before the effective date of this Act continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 3. Effective date: September 1, 2013.