

## **BILL ANALYSIS**

Senate Research Center  
80R2252 CBH-F

H.B. 688  
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Finance  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Historically, a motor fuels tax refund was allowed on all diesel fuel consumed to operate an auxiliary power unit (APU) or power take-off equipment (PTE). The 78th Legislature, through H.B. 2458, eliminated the tax refund associated with diesel-powered auxiliary equipment. Current law still provides for such a refund for APUs and PTEs powered by gasoline.

H.B. 688 reinstates the diesel APU and PTE motor fuels rebate.

### **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 162.227, Tax Code, by adding Subsection (d-1), as follows:

(d-1) Authorizes a license holder to take a tax credit on a return for the period in which a purchase occurred, and a non-license holder to file a refund claim with the comptroller of public accounts (comptroller), if either paid a tax on diesel fuel used in this state by auxiliary power units or power take-off equipment on any motor vehicle. Authorizes the comptroller to approve and adopt the use of any metering or other measuring device or method designed to measure the fuel separately from the fuel used to propel the motor vehicle to determine the amount of fuel usable for a tax credit or refund. Authorizes a license holder to take the credit or a non-license holder to claim the refund on a percentage of the diesel fuel consumed by each motor vehicle equipped with such equipment if there is no separate metering device or other approved measuring method available. Requires the comptroller to determine the percentage of the credit or refund. Prohibits a tax credit or refund from being issued for fuel used by a climate-control system, as it is not defined as a power take-off system, or the portion of diesel fuel used for idling.

SECTION 2. Effective date: September 1, 2007.