

## **BILL ANALYSIS**

Senate Research Center  
80R7159 DAK-F

S.B. 1936  
By: Van de Putte  
Finance  
4/19/2007  
As Filed

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

Biodiesel fuel blended with regular diesel fuel receives a tax exemption based on the volume of biodiesel in the blend. However, there is no such tax exemption for ethanol blended with regular gasoline. Such an exemption may encourage retail outlets to sell, and consumers to purchase, gasoline blended with ethanol.

As proposed, S.B. 1936 exempts the ethanol portion of an ethanol and gasoline blend from the hydrocarbon portion of the gasoline tax.

### **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 162.104, Tax Code, by adding Subsection (g) to provide that the tax imposed by this subchapter (Gasoline Tax), does not apply to the volume of fuel ethanol blended together with taxable gasoline when the finished product sold or used is clearly identified on the sales invoice as a combination of gasoline and fuel ethanol.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.