

By: Lopez

H.B. No. 207

A BILL TO BE ENTITLED

AN ACT

relating to the rates of the state gasoline and diesel fuel taxes;  
increasing tax rates; authorizing a change in tax rates.

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

SECTION 1. Section 162.102, Tax Code, is amended to read as follows:

Sec. 162.102. TAX RATE. Except as provided by Section 162.1026, the ~~[The]~~ gasoline tax rate is 22 ~~[20]~~ cents for each net gallon or fractional part on which the tax is imposed under Section 162.101.

SECTION 2. Subchapter B, Chapter 162, Tax Code, is amended by adding Section 162.1026 to read as follows:

Sec. 162.1026. ANNUAL RATE CHANGE ACCORDING TO CONSUMER PRICE INDEX. (a) In this section:

(1) "Consumer price index" means the consumer price index for all urban consumers for all items and for all regions of the United States combined, as determined by the United States Department of Labor, Bureau of Labor Statistics, or, if that index is discontinued or superseded, a similar index selected or calculated by the comptroller.

(2) "Consumer price index percentage change" means the percentage increase or decrease in the consumer price index of a given state fiscal year from the consumer price index of the preceding state fiscal year.

1        (b) On January 1 of each year, the rate of the gasoline tax  
2 imposed under this subchapter is increased or decreased by a  
3 percentage that is equal to the consumer price index percentage  
4 change for the preceding fiscal year.

5        (c) Not later than November 1 of each year, the comptroller  
6 shall:

7            (1) compute the new tax rate as provided by this  
8 section;

9            (2) give the new tax rate to the secretary of state for  
10 publication in the Texas Register; and

11           (3) notify each license holder under this subchapter  
12 of the applicable new tax rate.

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

15        (a) A backup tax is imposed at the rate prescribed by  
16 Sections [Section] 162.102 and 162.1026 on:

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

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

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

26            (4) a person, other than a person exempted under  
27 Section 162.104, who acquires gasoline on which tax has not been

1 paid from any source in this state.

2 SECTION 4. Section 162.202, Tax Code, is amended to read as  
3 follows:

4 Sec. 162.202. TAX RATE. Except as provided by Section  
5 162.2026, the [The] diesel fuel tax rate is 22 [20] cents for each  
6 net gallon or fractional part on which the tax is imposed under  
7 Section 162.201.

8 SECTION 5. Subchapter C, Chapter 162, Tax Code, is amended  
9 by adding Section 162.2026 to read as follows:

10 Sec. 162.2026. ANNUAL RATE CHANGE ACCORDING TO CONSUMER  
11 PRICE INDEX. (a) In this section:

12 (1) "Consumer price index" means the consumer price  
13 index for all urban consumers for all items and for all regions of  
14 the United States combined, as determined by the United States  
15 Department of Labor, Bureau of Labor Statistics, or, if that index  
16 is discontinued or superseded, a similar index selected or  
17 calculated by the comptroller.

18 (2) "Consumer price index percentage change" means the  
19 percentage increase or decrease in the consumer price index of a  
20 given state fiscal year from the consumer price index of the  
21 preceding state fiscal year.

22 (b) On January 1 of each year, the rate of the diesel fuel  
23 tax imposed under this subchapter is increased or decreased by a  
24 percentage that is equal to the consumer price index percentage  
25 change for the preceding fiscal year.

26 (c) Not later than November 1 of each year, the comptroller  
27 shall:

- 1           (1) compute the new tax rate as provided by this  
2 section;  
3           (2) give the new tax rate to the secretary of state for  
4 publication in the Texas Register; and  
5           (3) notify each license holder under this subchapter  
6 of the applicable new tax rate.

7           SECTION 6. Section 162.203(a), Tax Code, is amended to read  
8 as follows:

9           (a) A backup tax is imposed at the rate prescribed by  
10 Sections [Section] 162.202 and 162.2026 on:

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

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

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

20           (4) a person, other than a person exempted under  
21 Section 162.204, who acquires diesel fuel on which tax has not been  
22 paid from any source in this state.

23           SECTION 7. The comptroller shall compute the initial  
24 adjusted tax rates as required by Sections 162.1026(c) and  
25 162.2026(c), Tax Code, as added by this Act, not later than November  
26 1, 2022. The initial adjusted rates take effect January 1, 2023.

27           SECTION 8. The change in law made by this Act does not

1 affect tax liability accruing before the effective date of this  
2 Act. That liability continues in effect as if this Act had not been  
3 enacted, and the former law is continued in effect for the  
4 collection of taxes due and for civil and criminal enforcement of  
5 the liability for those taxes.

6 SECTION 9. This Act takes effect January 1, 2022.