

1-1 By: Hinojosa of Hidalgo S.B. No. 771  
1-2 (In the Senate - Filed January 13, 2025; February 7, 2025,  
1-3 read first time and referred to Committee on Finance;  
1-4 April 23, 2025, reported favorably by the following vote: Yeas 11,  
1-5 Nays 0; April 23, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7		Yea	Nay	Absent	PNV
1-8	Huffman	X			
1-9	Hinojosa of Hidalgo	X			
1-10	Alvarado	X			
1-11	Bettencourt	X			
1-12	Campbell			X	
1-13	Creighton	X			
1-14	Flores	X			
1-15	Hall	X			
1-16	Kolkhorst			X	
1-17	Nichols	X			
1-18	Paxton	X			
1-19	Perry			X	
1-20	Schwertner	X			
1-21	West	X			
1-22	Zaffirini			X	

1-23 A BILL TO BE ENTITLED  
1-24 AN ACT

1-25 relating to a credit or refund for diesel fuel taxes paid on diesel  
1-26 fuel used in this state by auxiliary power units or power take-off  
1-27 equipment.

1-28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-29 SECTION 1. Section 162.227, Tax Code, is amended by adding  
1-30 Subsection (d-1) to read as follows:

1-31 (d-1) A license holder may take a credit on a return for the  
1-32 period in which the purchase occurred, and a person who does not  
1-33 hold a license may file a refund claim with the comptroller, if the  
1-34 license holder or person paid tax on diesel fuel and the diesel fuel  
1-35 is used in this state by auxiliary power units or power take-off  
1-36 equipment on any motor vehicle. If the quantity of that diesel fuel  
1-37 can be accurately measured while the motor vehicle is stationary by  
1-38 any metering or other measuring device or method designed to  
1-39 measure the fuel separately from fuel used to propel the motor  
1-40 vehicle, the comptroller may approve and adopt the use of the device  
1-41 as a basis for determining the quantity of diesel fuel consumed in  
1-42 those operations for a tax credit or tax refund. If there is no  
1-43 separate metering device or other approved measuring method, the  
1-44 license holder may take the credit and the person who does not hold  
1-45 a license may claim the refund on a percentage of the diesel fuel  
1-46 consumed by each motor vehicle equipped with an auxiliary power  
1-47 unit or power take-off equipment. The comptroller shall determine  
1-48 the percentage of diesel fuel for which the credit or refund may be  
1-49 claimed. The climate-control air conditioning or heating system of  
1-50 a motor vehicle that has a primary purpose of providing for the  
1-51 convenience or comfort of the operator or passengers is not a power  
1-52 take-off system, and a credit or refund may not be allowed for the  
1-53 tax paid on any portion of the diesel fuel that is used for that  
1-54 purpose. A credit or refund may not be allowed for the diesel fuel  
1-55 tax paid on that portion of the diesel fuel that is used for idling.  
1-56 SECTION 2. This Act takes effect September 1, 2025.

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