

HOUSE RESEARCH

Bill Summary

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Authors: Petersburg and others

Subject: Special fuels tax – off-road use

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Overview

This bill provides a highway fuel excise tax and general sales tax exemption for diesel fuel used in refrigeration units, power takeoffs, and unlicensed vehicles used to move semitrailers in cargo yards, warehouses, and similar.

Section

- 1 **Refunds; non-highway use.** Allows refunds of the highway fuels excise tax for off-road use of special fuels (diesel fuel) used:
 - For refrigeration units on a licensed motor vehicle, if the unit has its own motor and fuel tank
 - In unlicensed motor vehicles used to move semi-trailers in cargo yards, warehouses, and intermodal facilities
 - For power takeoff units in licensed motor vehicles (no requirement to have a separate fuel tank applies).
- 2 **Sales tax exemption.** Exempts for the general sales tax the fuel purchases exempted from the highway fuels excise tax. Fuel that is not taxed under the excise tax otherwise would be subject to the general sales tax.