

**REVENUE:** May have revenue impact, statement not yet issued

**FISCAL:** May have fiscal impact, statement not yet issued

---

**Action:** Without Recommendation as to Passage and Be Referred to the Committee on Revenue by prior reference

**Vote:** 6 - 1 - 0

**Yeas:** Buckley, Butler, Gilman, Read, Tomei, Beyer

**Nays:** Smith G.

**Exc.:** 0

**Prepared By:** Judith Callens, Administrator

**Meeting Dates:** 4/30

---

**WHAT THE MEASURE DOES:** Increases fuel tax by five cents on January 1, 2013 and on January 1 each fifth year thereafter. Revises mileage tax rates and axle-weight mileage tax rates (new rates to be determined by Revenue Committee). Revises substitute taxes for motor carriers based on declared combined weight (new rates to be determined by Revenue Committee).

**ISSUES DISCUSSED:**

- Status of Oregon's transportation infrastructure
- Cost of Congestion Study results
- Connection between Oregon's economy and transportation infrastructure
- Estimated costs of identified road maintenance needs

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Oregon's road system is a partnership between the state, counties and cities. The Oregon Transportation Plan estimated an annual gap between transportation infrastructure resources and needs of approximately \$775 million to \$975 million. Under ORS 319.530, an excise tax is imposed on fuel used in motor vehicles to partially compensate the state for the use of its highways. HB 2653 would raise the current excise tax from 24 cents to 29 cents per unit of measurement for liquid and gaseous motor fuels to make additional revenue available for road maintenance and improvement. Excise taxes are collected from fuel distributors as license taxes since Oregon does not have a sales tax. The measure further revises mileage taxes, axle-weight mileage taxes and flat fees in amounts to be determined by the Revenue Committee.