

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
74th Oregon Legislative Assembly
2008 Special Session
Legislative Revenue Office

Bill Number:	SB 1079-B
Area:	Transportation
Economist:	Mazen Malik
Date:	Feb-20-2008

Measure Description:

Requires issuers of cardlock cards to provide the Department of Transportation with fuel tax information and to collect and remit fuel taxes when cardlock cardholders purchase fuel at a retail facility that has an attended station portion and a cardlock card reader. Exempts some uses of fuel from the 10 percent ethanol mix requirement.

Revenue Impact: Small impact to the state highway fund (between -\$25,000 and -\$50,000).

Some reduction is due to changing the requirements and the shifting of responsibility for documenting the tax payments to the card issuer.

Impact Explanation:

Fuel Tax Group collected about \$40 million in use fuel (diesel) tax during 2007. Of this, about \$38.3 million was collected from 750 licensed use fuel sellers; about \$1.7 million was collected directly from licensed fuel users. Cardlock card issuers are included in the count of 750 licensed fuel sellers, including payments by cardlock card issuers from those by other fuel sellers. ODOT's fuel tax data does not indicate how many licensed fuel users have cardlock card readers installed at their facilities. However, an estimate based on ODOT auditors' experience suggest about 20 fuel sellers have cardlock card readers,

Under SB 1079, cardlock card issuers verify fuel buyers' tax status before they issue card lock cards, collect fuel tax from taxable highway users who buy fuel using cardlock cards, and remit the tax to the Oregon Department of Transportation. It sets out criteria that ensure that a cardlock card issuer can provide the department with sufficient information to audit fuel tax reports and tax payments.

Improved documentation provided by cardlock card issuers may reduce the number of instances where fuel sellers cannot provide tax payment documentation for sales at cardlock. That has the potential to reduce the amount of department's collections from fuel sellers during audit. Thus, the amount of the revenue reduction is dependent on these audit discrepancies, which makes precise estimation difficult.

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