

Senate Bill 34

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Ties tax on motor vehicle fuel to percentage of average price of motor vehicle fuel in Oregon.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to taxation; creating new provisions; amending ORS 319.020, 319.410, 319.530 and 825.480;
3 and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 319.020 is amended to read:

6 319.020. (1) Subject to subsections (2) to [(4)] (5) of this section, in addition to the taxes other-
7 wise provided for by law, every dealer engaging in the dealer's own name, or in the name of others,
8 in the first sale, use or distribution of motor vehicle fuel or aircraft fuel or withdrawal of motor
9 vehicle fuel or aircraft fuel for sale, use or distribution within areas in this state within which the
10 state lacks the power to tax the sale, use or distribution of motor vehicle fuel or aircraft fuel, shall:

11 (a) Not later than the 25th day of each calendar month, render a statement to the Department
12 of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn
13 by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state
14 by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the
15 applicable license tax during the preceding calendar month.

16 (b) Except as provided in ORS 319.270, pay a license tax [*computed on the basis of 24 cents per*
17 *gallon*] **as described in subsection (2) of this section** on the first sale, use or distribution of such
18 motor vehicle fuel [*or aircraft fuel so*] sold, used, distributed or withdrawn as shown by such state-
19 ment in the manner and within the time provided in ORS 319.010 to 319.430.

20 (c) **Except as provided in ORS 319.270, pay a license tax computed on the basis of 24 cents**
21 **per gallon on the first sale, use or distribution of aircraft fuel sold, used, distributed or**
22 **withdrawn as shown by such statement in the manner and within the time provided in ORS**
23 **319.010 to 319.430.**

24 (2)(a) **For calendar year 2009, the tax rate shall be 24 cents per gallon of motor vehicle**
25 **fuel.**

26 (b) **Subject to the approval of the Oregon Transportation Commission, no later than Oc-**
27 **tober 30 of each year, beginning in calendar year 2009, the Department of Transportation, in**
28 **consultation with the Oregon Department of Administrative Services, shall annually adjust**
29 **the tax to be paid under subsection (1)(b) of this section. The tax rate shall be _____ per-**
30 **cent of the average price of motor vehicle fuel in Oregon from the beginning of October of**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 the preceding year to the end of September of the year in which the calculation is made. The
 2 Department of Transportation shall determine the average price of motor vehicle fuel in
 3 Oregon based on the calculation published by the Energy Information Administration of the
 4 United States Department of Energy.

5 (c) The tax rate established under this subsection shall:

6 (A) Be rounded to the nearest cent; and

7 (B) Become effective as the new tax rate on January 1 of the following year.

8 [(2)] (3) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be
 9 computed on the basis of nine cents per gallon of fuel so sold, used or distributed, except that when
 10 aircraft fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or dis-
 11 tributed, the tax rate shall be one cent per gallon.

12 [(3)] (4) In lieu of claiming refund of the tax paid on motor vehicle fuel consumed by such dealer
 13 in nonhighway use as provided in ORS 319.280, 319.290 and 319.320, or of any prior erroneous pay-
 14 ment of license tax made to the state by such dealer, the dealer may show such motor vehicle fuel
 15 as a credit or deduction on the monthly statement and payment of tax.

16 [(4)] (5) The license tax computed on the basis of the sale, use, distribution or withdrawal of
 17 motor vehicle or aircraft fuel shall not be imposed wherever such tax is prohibited by the Consti-
 18 tution or laws of the United States with respect to such tax.

19 **SECTION 2.** ORS 319.530 is amended to read:

20 319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby
 21 is imposed at the rate [*of 24 cents per gallon*] **described in subsection (4) of this section** on the
 22 use of fuel in a motor vehicle. Except as otherwise provided in subsections (2) and (3) of this section,
 23 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of
 24 pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

25 (2) One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous state,
 26 measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the
 27 same rate as a gallon of liquid fuel.

28 (3) One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at the
 29 same rate as a gallon of other liquid fuel.

30 (4)(a) **For calendar year 2009, the tax rate shall be 24 cents per gallon of motor vehicle**
 31 **fuel.**

32 (b) **Subject to the approval of the Oregon Transportation Commission, no later than Oc-**
 33 **tober 30 of each year, beginning in calendar year 2009, the Department of Transportation, in**
 34 **consultation with the Oregon Department of Administrative Services, shall annually adjust**
 35 **the rate of tax to be paid under subsection (1) of this section. The tax rate shall be**
 36 **_____ percent of the average price of motor vehicle fuel in Oregon from the beginning of**
 37 **October of the preceding year to the end of September of the year in which the calculation**
 38 **is made. The Department of Transportation shall determine the average price of motor ve-**
 39 **hicle fuel in Oregon based on the calculation published by the Energy Information Adminis-**
 40 **tration of the United States Department of Energy.**

41 (c) The tax rate established under this subsection shall:

42 (A) Be rounded to the nearest cent; and

43 (B) Become effective as the new tax rate on January 1 of the following year.

44 **SECTION 3.** Section 4 of this 2009 Act is added to and made a part of the Oregon Vehicle
 45 Code.

1 **SECTION 4. (1) Subject to approval by the Oregon Transportation Commission, the De-**
2 **partment of Transportation, in consultation with the Oregon Department of Administrative**
3 **Services, shall annually adjust the weight-mile tax rate described in ORS 825.476 in propor-**
4 **tion to the increase or decrease of the motor vehicle fuel tax under ORS 319.020 (2) and**
5 **319.530 (4).**

6 **(2) The weight-mile tax rate established under this section shall become effective as the**
7 **new weight-mile tax rate on January 1 of the following year.**

8 **SECTION 5.** ORS 825.480 is amended to read:

9 825.480. (1)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor
10 vehicles in the transportation of logs, poles, peeler cores or piling may pay annual fees for such
11 operation computed at the rate of six dollars and ten cents for each 100 pounds of declared com-
12 bined weight.

13 (b) Any carrier electing to pay fees under this method may, as to vehicles otherwise exempt from
14 taxation, elect to be taxed on the mileage basis for movements of such empty vehicles over public
15 highways whenever operations are for the purpose of repair, maintenance, servicing or moving from
16 one exempt highway operation to another.

17 (2) The annual fees provided in subsections (1), (4) and (5) of this section may be paid on a
18 monthly basis. Any carrier electing to pay fees under this method may not change an election during
19 the same calendar year in which the election is made, but may be relieved from the payment due
20 for any month on a motor vehicle which is not operated. A carrier electing to pay fees under this
21 method shall report and pay these fees on or before the 10th of each month for the preceding
22 month's operations. A monthly report shall be made on all vehicles on the annual fee basis including
23 any vehicle not operated for the month.

24 (3)(a) In lieu of the fees provided in ORS 825.470 to 825.474, motor vehicles described in ORS
25 825.024 with a combined weight of less than 46,000 pounds that are being operated under a permit
26 issued under ORS 825.102 may pay annual fees for such operation computed at the rate of five dol-
27 lars for each 100 pounds of declared combined weight.

28 (b) The annual fees provided in this subsection shall be paid in advance but may be paid on a
29 monthly basis on or before the first day of the month. A carrier may be relieved from the fees due
30 for any month during which the motor vehicle is not operated for hire if a statement to that effect
31 is filed with the Department of Transportation on or before the fifth day of the first month for which
32 relief is sought.

33 (4)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in the operation of motor
34 vehicles equipped with dump bodies and used in the transportation of sand, gravel, rock, dirt, debris,
35 cinders, asphaltic concrete mix, metallic ores and concentrates or raw nonmetallic products,
36 whether crushed or otherwise, moving from mines, pits or quarries may pay annual fees for such
37 operation computed at the rate of six dollars and five cents for each 100 pounds of declared com-
38 bined weight.

39 (b) Any carrier electing to pay fees under this method may, as to vehicles otherwise exempt for
40 taxation, elect to be taxed on the mileage basis for movements of such empty vehicles over public
41 highways whenever operations are for the purpose of repair, maintenance, servicing or moving from
42 one exempt highway operation to another.

43 (5)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles
44 in the transportation of wood chips, sawdust, barkdust, hog fuel or shavings may pay annual fees for
45 such operation computed at the rate of twenty-four dollars and sixty-two cents for each 100 pounds

1 of declared combined weight.

2 (b) Any carrier electing to pay under this method may, as to vehicles otherwise exempt from
3 taxation, elect to be taxed on the mileage basis for movement of such empty vehicles over public
4 highways whenever operations are for the purpose of repair, maintenance, service or moving from
5 one exempt highway operation to another.

6 **(6)(a) Subject to approval by the Oregon Transportation Commission, the Department of**
7 **Transportation, in consultation with the Oregon Department of Administrative Services,**
8 **shall annually adjust the flat fee rates described in this section in proportion to the increase**
9 **or decrease of the motor vehicle fuel tax under ORS 319.020 (2) and 319.530 (4).**

10 **(b) The flat fee rate established under this section shall become effective as the new flat**
11 **fee rate on January 1 of the following year.**

12 **SECTION 6.** ORS 319.410 is amended to read:

13 319.410. (1) The Department of Transportation shall promptly turn over the license tax to the
14 State Treasurer to be disposed of as provided in ORS 802.110.

15 (2) The revenue from the license tax collected from the use, sale or distribution of aircraft fuel
16 as imposed by ORS 319.020 [(2)] shall be transferred upon certification of the department to the State
17 Treasurer, who shall credit the certified amount to the State Aviation Account for the purpose of
18 carrying out the provisions of the state aviation laws.

19 **SECTION 7. This 2009 Act takes effect on the 91st day after the date on which the reg-**
20 **ular session of the Seventy-fifth Legislative Assembly adjourns sine die.**

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