

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Sixth Oregon Legislative
Assembly, 2011 Regular Session
Legislative Revenue Office**

**Bill Number: HB 2196 - A
Revenue Area: Fuel Taxes
Economist: Mazen Malik
Date: 4/22/2011**

Measure Description:

Creates an exemption from the fuel tax for diesel fuel blended with a minimum of 20 percent biodiesel derived from used cooking-oil. Does not apply to fuel used in motor vehicles with a gross vehicle weight rating of at least 10,000 pounds. Applies from January 1, 2012 to January 2, 2018.

Revenue Impact:

The exemption would likely result in a revenue loss in the amount of fuel tax collected, depending on the extent to which eligible fuel is sold. Further analysis will be done when the bill is in the House Committee on Revenue.

Impact Explanation:

The diesel fuel is taxed at 33 cents per gallon when it is used in vehicles that don't pay the weight mile tax. This will exempt the diesel fuel, blended with used cooking oil at the 20%, from fuel taxes. The level of blending of 20% might pose some limits to the expansion and use of this type of blended diesel fuel. Blending level and impact on revenue will be further examined as the bill is examined at the revenue committee. This statement is issued to facilitate that referral.

Creates, Extends, or Expands Tax Expenditure: Yes No

A tax expenditure to encourage the conversion of used cooking oil to use-fuel.