

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

**Bill Number: HB 2328 - B
Revenue Area: Transportation finance
Economist: Mazen Malik
Date: 05/12/2011**

Measure Description:

Requires electric motor vehicles and plug-in hybrid electric motor vehicles to pay vehicle road usage charge (VRUC). A transitional rate of \$0.0085 is effective July 1, 2015. Requires all electric and plug-in electric hybrid vehicles, regardless of model year, to pay \$0.0156 (1.56 cents) per mile for use of Oregon highways, effective July 1, 2018.

Revenue Impact (in Millions\$):

TOTAL REVENUE:	2016	2017	2018	2019	2020	2021
Gross Receipts	\$0.3	\$1.3	\$2.5	\$7.5	\$10.5	\$13.5
Fuel Refunds	(\$0.1)	(\$0.2)	(\$0.5)	(\$0.8)	(\$1.2)	(\$1.6)
Net Revenue	\$0.3	\$1.1	\$2.1	\$6.7	\$9.3	\$12.0

Impact Explanation:

The transitional rate of \$0.0085 (0.85 cents) per mile for VRUC applies to electric and plug-in hybrid electric vehicles of the 2016 model year and later. The VRUC becomes effective on July 1, 2015 as well as the provisions that require refund of fuel tax paid by owners or lessees of plug-in electric hybrids. The VRUC full rate \$0.0156 (1.56 cents) per mile applies to all electric and plug-in hybrid electric vehicle models beginning July 1, 2018.

Electric vehicles would have the option of paying an annual fee of \$300 in lieu of paying the VRUC based on mile traveled. The optional annual fee would sunset by July 1, 2018.

Creates, Extends, or Expands Tax Expenditure: Yes No

As a strategy to reduce emissions and protect the environment, Oregon wants to encourage market penetration of electric vehicles and other highly fuel efficient vehicles by providing a transitional rate for a vehicle road usage charge during the early years of introduction into the marketplace.

The tax expenditure is assumed for the years that there is no charge and with the reduced rate until the transitional charge sunsets. The tax expenditure is assumed to be the difference from the full cost-responsibility rate.

2011	2012	2013	2014	2015	2016	2017	2018
\$0.04	\$0.16	\$0.32	\$0.52	\$0.88	\$1.17	\$2.00	\$2.82