

A-Engrossed
House Bill 2196

Ordered by the House April 27
Including House Amendments dated April 27

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Sustainability and Economic Development)

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.

[Creates income tax credit for sale of biodiesel blends.]

[Applies to tax years beginning on or after January 1, 2011.]

Exempts from fuel excise tax, from January 1, 2012, to January 2, 2018, diesel fuel blended with minimum of 20 percent biodiesel derived from used cooking oil. Creates exception.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to energy; creating new provisions; amending ORS 319.530; and prescribing an effective
3 date.

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

5 **SECTION 1.** ORS 319.530, as amended by section 49, chapter 865, Oregon Laws 2009, is
6 amended to read:

7 319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby
8 is imposed at the rate of 30 cents per gallon on the use of fuel in a motor vehicle.

9 **(2)** Except as otherwise provided in subsections *[(2) and (3)]* **(3) and (4)** of this section, 100 cubic
10 feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure
11 at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

12 *[(2)]* **(3)** One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous
13 state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at
14 the same rate as a gallon of liquid fuel.

15 *[(3)]* **(4)** One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at
16 the same rate as a gallon of other liquid fuel.

17 **(5)(a) The excise tax imposed under subsection (1) of this section does not apply to diesel**
18 **fuel blended with a minimum of 20 percent biodiesel derived from used cooking oil.**

19 **(b) The exemption under paragraph (a) of this subsection does not apply to fuel used in**
20 **motor vehicles with a gross vehicle weight rating of 10,000 pounds or more.**

21 **SECTION 2. The amendments to ORS 319.530 by section 1 of this 2011 Act become oper-**
22 **ative on January 1, 2012.**

23 **SECTION 3.** ORS 319.530, as amended by section 49, chapter 865, Oregon Laws 2009, and sec-
24 tion 1 of this 2011 Act, is amended to read:

25 319.530. (1) To compensate this state partially for the use of its highways, an excise tax hereby

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 is imposed at the rate of 30 cents per gallon on the use of fuel in a motor vehicle.

2 (2) Except as otherwise provided in subsections (3) and (4) of this section, 100 cubic feet of fuel
3 used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees
4 Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

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

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

10 *[(5)(a) The excise tax imposed under subsection (1) of this section does not apply to diesel fuel*
11 *blended with a minimum of 20 percent biodiesel derived from used cooking oil.]*

12 *[(b) The exemption under paragraph (a) of this subsection does not apply to fuel used in motor*
13 *vehicles with a gross vehicle weight rating of 10,000 pounds or more.]*

14 **SECTION 4. The amendments to ORS 319.530 by section 3 of this 2011 Act become oper-**
15 **ative on January 2, 2018.**

16 **SECTION 5. This 2011 Act takes effect on the 91st day after the date on which the 2011**
17 **regular session of the Seventy-sixth Legislative Assembly adjourns sine die.**

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