

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
Seventy-Seventh Oregon Legislative Assembly  
2013 Regular Session  
Legislative Revenue Office

Bill Number: HB2435-B  
Revenue Area: Use-Fuel Tax  
Economist: Mazen Malik  
Date: 06/26/2013

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

**Measure Description:** Exempts diesel fuel blended with at least 20 percent biodiesel derived from used cooking oil from fuel excise tax. Exemption does not apply to fuel used in motor vehicles with gross vehicle weight of 26,001 pounds or more. Applies to fuel sold after January 1, 2014 and before January 1, 2020.

**Revenue Impact (millions):**

The exemption would result in a revenue loss from the amounts of fuel tax collected by ODOT.

	State	Counties	Cities	Total
2013-15	(0.52)	(0.22)	(0.15)	(0.89)
2015-17	(0.70)	(0.31)	(0.20)	(1.21)
2017-19	(0.72)	(0.31)	(0.21)	(1.24)
2019-21	(0.74)	(0.32)	(0.21)	(1.27)

**Impact Explanation:**

The diesel fuel is taxed at 30 cents per gallon when it is used in vehicles that don't pay the weight mile tax. This measure will exempt from fuel taxes the diesel fuel that has been blended with 20% used cooking oil. The amendment gives that exemption only to fuel sold through retail establishments. This takes out of consideration the card-locks, bulk and fleet fuels.

The base year estimates shows 1.97 million gallons (\$581,500) of B20 (cooking oil) blended fuel for all eligible vehicles. 87% of that is in in the basic weight class, and 251,000 gallons (\$75 thousand) used by the medium heavy vehicles. This impact is reflective of about 388,000 gallons of cooking-oil-diesel blended with about 4 gallons of regular diesel.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No

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

13% of the tax expenditure will come from Heavy vehicles (10,000 to 26,000 lb.), while basic vehicles contributions will be 87%.