

# House Bill 2121

Sponsored by Representative GREENLICK (Presession filed.)

## 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**.

Increases fuel tax and motor carrier taxes. Schedules future increases of fuel tax every five years.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to vehicle taxes; amending ORS 319.020, 319.530, 825.476 and 825.480; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

3  
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) of this section, in addition to the taxes otherwise  
7 provided for by law, every dealer engaging in the dealer's own name, or in the name of others, in  
8 the first sale, use or distribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehicle  
9 fuel or aircraft fuel for sale, use or distribution within areas in this state within which the state  
10 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12 of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn  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. The dealer shall render the statement  
16 to the department in the manner provided by the department by rule.

17 (b) Except as provided in ORS 319.270, pay a license tax computed on the basis of [30] **35** cents  
18 per gallon on the first sale, use or distribution of such motor vehicle fuel [*or aircraft fuel*] so sold,  
19 used, distributed or withdrawn as shown by such statement in the manner and within the time provided in ORS 319.010 to 319.430. **On January 1, 2023, and on January 1 of each fifth year thereafter, the license tax imposed under this paragraph is increased by five cents per gallon.**

22 (c) **Except as provided in ORS 319.270, pay a license tax computed on the basis of 30 cents per gallon on the first sale, use or distribution of such aircraft fuel so sold, used, distributed or withdrawn as shown by such statement in the manner and within the time provided in ORS 319.010 to 319.430.**

26 (2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed  
27 on the basis of 11 cents per gallon of fuel so sold, used or distributed, except that when aircraft fuel  
28 usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distributed, the tax  
29 rate shall be three cents per gallon.

30 (3) In lieu of claiming refund of the tax paid on motor vehicle fuel consumed by such dealer in  
31 nonhighway use as provided in ORS 319.280, 319.290 and 319.320, or of any prior erroneous payment

**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 of license tax made to the state by such dealer, the dealer may show such motor vehicle fuel as a  
 2 credit or deduction on the monthly statement and payment of tax.

3 (4) The license tax computed on the basis of the sale, use, distribution or withdrawal of motor  
 4 vehicle or aircraft fuel may not be imposed wherever such tax is prohibited by the Constitution or  
 5 laws of the United States with respect to such tax.

6 **SECTION 2.** ORS 319.020, as amended by section 4, chapter 700, Oregon Laws 2015, is amended  
 7 to read:

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

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

19 (b) Except as provided in ORS 319.270, pay a license tax computed on the basis of [30] **35** cents  
 20 per gallon on the first sale, use or distribution of such motor vehicle fuel [*or aircraft fuel*] so sold,  
 21 used, distributed or withdrawn as shown by such statement in the manner and within the time pro-  
 22 vided in ORS 319.010 to 319.430. **On January 1, 2023, and on January 1 of each fifth year**  
 23 **thereafter, the license tax imposed under this paragraph is increased by five cents per gallon.**

24 (c) **Except as provided in ORS 319.270, pay a license tax computed on the basis of 30 cents**  
 25 **per gallon on the first sale, use or distribution of such aircraft fuel so sold, used, distributed**  
 26 **or withdrawn as shown by such statement in the manner and within the time provided in**  
 27 **ORS 319.010 to 319.430.**

28 (2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed  
 29 on the basis of nine cents per gallon of fuel so sold, used or distributed, except that when aircraft  
 30 fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distributed, the  
 31 tax rate shall be one cent per gallon.

32 (3) In lieu of claiming refund of the tax paid on motor vehicle fuel consumed by such dealer in  
 33 nonhighway use as provided in ORS 319.280, 319.290 and 319.320, or of any prior erroneous payment  
 34 of license tax made to the state by such dealer, the dealer may show such motor vehicle fuel as a  
 35 credit or deduction on the monthly statement and payment of tax.

36 (4) The license tax computed on the basis of the sale, use, distribution or withdrawal of motor  
 37 vehicle or aircraft fuel may not be imposed wherever such tax is prohibited by the Constitution or  
 38 laws of the United States with respect to such tax.

39 **SECTION 3.** ORS 319.530 is amended to read:

40 319.530. (1)(a) To compensate this state partially for the use of its highways, an excise tax  
 41 hereby is imposed at the rate of [30] **35** cents per gallon on the use of fuel in a motor vehicle.

42 (b) **On January 1, 2023, and on January 1 of each fifth year thereafter, the rate of the**  
 43 **excise tax imposed under paragraph (a) of this subsection is increased by five cents per gal-**  
 44 **lon.**

45 (2) Except as otherwise provided in subsections (3) and (4) of this section, 100 cubic feet of fuel

1 used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees  
 2 Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

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

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

8 (5)(a) Except as provided in paragraph (b) of this subsection, the excise tax imposed under sub-  
 9 section (1) of this section does not apply to diesel fuel blended with a minimum of 20 percent  
 10 biodiesel that is derived from used cooking oil.

11 (b) The exemption provided under paragraph (a) of this subsection does not apply to fuel:

12 (A) Used in motor vehicles that have a gross vehicle weight rating of 26,001 pounds or more;

13 (B) That is not sold in retail operations; or

14 (C) That is sold in operations involving fleet fueling or bulk sales.

15 **SECTION 4.** ORS 319.530, as amended by section 3, chapter 648, Oregon Laws 2013, is amended  
 16 to read:

17 319.530. (1)(a) To compensate this state partially for the use of its highways, an excise tax  
 18 hereby is imposed at the rate of [30] **35** cents per gallon on the use of fuel in a motor vehicle.

19 **(b) On January 1, 2023, and on January 1 of each fifth year thereafter, the rate of the**  
 20 **excise tax imposed under paragraph (a) of this subsection is increased by five cents per gal-**  
 21 **lon.**

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

25 (3) 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 (4) 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 **SECTION 5.** ORS 825.476 is amended to read:

31 825.476.

---

32  
 33  
 34 MILEAGE TAX RATE TABLE "A"

35 Declared Combined	35 Fee Rates
36 Weight Groups	36 Per Mile
37 (Pounds)	37 (Mills)
38 26,001 to 28,000	38 [49.8] _____
39 28,001 to 30,000	39 [52.8] _____
40 30,001 to 32,000	40 [55.2] _____
41 32,001 to 34,000	41 [57.6] _____
42 34,001 to 36,000	42 [59.9] _____
43 36,001 to 38,000	43 [63.0] _____
44 38,001 to 40,000	44 [65.4] _____
45 40,001 to 42,000	45 [67.7] _____

1	42,001 to 44,000	[70.2]	_____
2	44,001 to 46,000	[72.6]	_____
3	46,001 to 48,000	[74.9]	_____
4	48,001 to 50,000	[77.4]	_____
5	50,001 to 52,000	[80.3]	_____
6	52,001 to 54,000	[83.3]	_____
7	54,001 to 56,000	[86.4]	_____
8	56,001 to 58,000	[90.0]	_____
9	58,001 to 60,000	[94.1]	_____
10	60,001 to 62,000	[99.0]	_____
11	62,001 to 64,000	[104.5]	_____
12	64,001 to 66,000	[110.4]	_____
13	66,001 to 68,000	[118.3]	_____
14	68,001 to 70,000	[126.6]	_____
15	70,001 to 72,000	[135.0]	_____
16	72,001 to 74,000	[142.7]	_____
17	74,001 to 76,000	[150.0]	_____
18	76,001 to 78,000	[157.2]	_____
19	78,001 to 80,000	[163.8]	_____

20

21

22

AXLE-WEIGHT MILEAGE

23

TAX RATE TABLE "B"

24

Declared Combined      Number of Axles

25

Weight Groups      5      6      7      8      9 or

26

(Pounds)      (Mills)      more

27

80,001 to 82,000      [169.2]      154.8      144.7      137.4      129.6]

28

82,001 to 84,000      [174.7]      157.2      147.0      139.2      131.3]

30

84,001 to 86,000      [179.9]      160.9      149.4      140.9      133.2]

32

86,001 to 88,000      [186.0]      164.3      151.8      143.4      135.0]

34

88,001 to 90,000      [193.2]      168.6      154.3      145.8      137.4]

36

90,001 to 92,000      [201.6]      173.4      156.5      148.2      139.8]

38

92,001 to 94,000      [210.7]      178.2      159.0      150.5      141.7]

40

94,001 to 96,000      [220.2]      183.6      162.0      153.0      143.9]

42

96,001 to 98,000      [230.4]      190.2      165.6      155.5      146.4]

44

98,001 to 100,000      [197.3]      169.2      158.4      148.8]

1				
2	100,001 to 102,000	[172.8	162.0	151.3]
3				
4	102,001 to 104,000	[176.4	165.6	154.3]
5				
6	104,001 to 105,500	[181.1	169.2	157.2]
7				
8	<hr/>			

10 **SECTION 6.** ORS 825.480 is amended to read:

11 825.480. (1)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor  
 12 vehicles in the transportation of logs, poles, peeler cores or piling may pay annual fees for such  
 13 operation computed at the rate of [*seven dollars and fifty-nine cents*] \_\_\_\_\_ for each 100 pounds  
 14 of declared combined weight.

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

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

26 (3)(a) In lieu of the fees provided in ORS 825.470 to 825.474, motor vehicles described in ORS  
 27 825.024 with a combined weight of less than 46,000 pounds that are being operated under a permit  
 28 issued under ORS 825.102 may pay annual fees for such operation computed at the rate of [*six dol-*  
 29 *lars and twenty-three cents*] \_\_\_\_\_ for each 100 pounds of declared combined weight.

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

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

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

45 (5)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles

1 in the transportation of wood chips, sawdust, barkdust, hog fuel or shavings may pay annual fees for  
2 such operation computed at the rate of *[thirty dollars and sixty-five cents]* \_\_\_\_\_ for each 100  
3 pounds of declared combined weight.

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

8 **SECTION 7. This 2017 Act takes effect on the 91st day after the date on which the 2017**  
9 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

10