

3.004 DIESEL FUEL BLENDED WITH BIODIESEL

Oregon Statutes: 319.530(5)(a)

Sunset Date: 12-31-2019

Year Enacted: 2013

	Total
2017-19 Revenue Impact:	\$10,900,000
2019-21 Revenue Impact:	\$2,900,000

NOTE: The revenue impact estimate includes the effect of the sunset.

DESCRIPTION: Diesel fuel blended with at least 20 percent biodiesel derived from used cooking oil is exempt from fuel excise tax. This provision applies to fuel sold on or after January 1, 2014, and before January 1, 2020.

This provision does not apply to fuel:

- Used in motor vehicles with a gross vehicle weight rating of over 26,000 pounds
- Not sold in retail operations
- Sold in operations involving card-lock and fleet fueling, or bulk sales.

PURPOSE: The statutes that allow this expenditure do not explicitly state a purpose. According to the legislative staff revenue impact statement for HB 2435 (2013), the purpose of this provision is “to encourage the conversion of used cooking oil to fuel.”

WHO BENEFITS: Producers, consumers, and fuel sellers of biodiesel derived from used cooking oil.

EVALUATION: *provided by the Oregon Department of Transportation*

Sales through fiscal year 2015 grew rapidly as production expanded and more source material was made available. Once a steady state of production was reached, growth has since been much slower and is expected to hold fairly steady through the remaining life of the tax expenditure.

3.005 NATURAL GAS AND PROPANE VEHICLES

Oregon Statutes: 319.535

Sunset Date: 12-31-2020

Year Enacted: 2014

	Total
2017-19 Revenue Impact:	Less than \$100,000
2019-21 Revenue Impact:	Less than \$100,000

NOTE: The revenue impact estimate includes the effect of the sunset.

DESCRIPTION: Organizations and people who use natural gas or propane as fuel in a motor vehicle may pay an annual special use license fee in lieu of a per-gallon tax.

Upon receipt of a complete and valid application, the Department of Transportation will issue a decal to be displayed on the motor vehicle in a conspicuous place. This decal allows participants to fuel their vehicle at any commercial fueling station that dispenses propane and/or compressed natural gas. It serves as proof to the seller of fuel that the driver is exempt from paying the per-gallon tax.