

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.