

HB 3062 A STAFF MEASURE SUMMARY

Carrier: Rep. Wilde

House Committee On Revenue

Action Date: 06/10/19

Action: Do Pass the A-Eng bill.

Vote: 5-0-1-1

Yeas: 5 - Findley, Marsh, Nathanson, Reschke, Smith Warner

Exc: 1 - Smith G

Abs: 1 - Hernandez

Fiscal: No fiscal impact

Revenue: Revenue impact issued

Prepared By: Mazen Malik, Senior Economist

Meeting Dates: 4/30, 6/10

WHAT THE MEASURE DOES:

Extends sunset date from January 1, 2020 to January 1, 2021 for exemption from use fuel tax for diesel fuel blended with at least 20 percent bio-diesel derived from used cooking oil. used in motor vehicles with a gross vehicle weight rating of 26,000 pounds or less.

ISSUES DISCUSSED:

- Benefits of Bio-Diesel and its improved performance.
- Local companies processing and refining cooking oil.
- The success of the policy.
- Relationship to Cap and Trade, and Clean Fuel Program.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

This Tax expenditure was created by HB 2435 of the 2013 session. That Measure Exempted from fuel excise tax, diesel fuel blended with at least 20 percent bio-diesel derived from used cooking oil . Applies to fuel sold after January 1, 2020. Vehicle fuels are currently subject to a fuels excise tax of 34 cents per gallon (going to 40 cents by 2024). Bio-diesel can be produced using many different source materials. This measure would exempt only bio-diesels from used cooking oil from fuel tax when used in vehicles below 26,000 lbs. Exemption does not apply to fuel used in motor vehicles with gross vehicle weight of 26,001 pounds or more.Vehicles with weights greater than 26,000 don't pay diesel tax but pay the weight mile tax.