

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
80th Oregon Legislative Assembly
2019 Regular Session
Legislative Revenue Office

Bill Number:	HB 2129 - A
Revenue Area:	Transportation
Economist:	Mazen Malik
Date:	6-12-2019
	Revised

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

Measure Description:

Extends and creates sunsets for certain transportation-related tax expenditures.

Revenue Impact:

The impacts of all the extensions are about \$400,000 biennium

Impact Explanation:

Vehicles that operate on use fuels may utilize a special emblem to notify retail sellers that the vehicle owner remits use fuel taxes directly to the state, rather than paying tax directly at the retail location. Use fuel rates are equivalent to current gasoline tax rate of \$0.34 per gallon. For propane and natural gas dispensed into motor vehicles as fuel, they are taxed as follows: for propane, the number of taxable gallons is divided by 1.3 prior to applying the \$0.34/gallon tax; for natural gas, taxable gallons are divided by 1.2 before calculation. This is approximately revenue neutral.

Heavy Vehicles with GVW above 26,000 lb., usually pay the weight mile tax. Currently vehicles that the dealer uses for test drives are exempted from the weight-mile tax and pay the fuel tax instead.

This measure extends the sunset for the tax expenditures for use fuel emblems and for vehicle dealer exemption from weight mile taxes until January 1, 2026.

The third exemption is for vehicles that would pay either the fuel tax or the Weight Mile tax. The exemptions for emission testing vehicles in ORS 825.475 are also extended to 1/1/2026.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to simplify the process of tax payment to propane and CNG vehicles. Additionally, the dealers not paying the weight Mile tax is to simplify the administration and compliance for dealer vehicles. The emissions testing is to avoid taxing research and compliance work.