

1 HB149  
2 197972-1  
3 By Representative Garrett  
4 RFD: Transportation, Utilities and Infrastructure  
5 First Read: 19-MAR-19

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8 SYNOPSIS: Act 2019-2 enacted the Rebuild Alabama Act  
9 which imposes increases in the gasoline and diesel  
10 fuel excise taxes by \$0.06 per gallon of gasoline  
11 or diesel fuel after August 31, 2019, an additional  
12 \$0.02 per gallon of gasoline or diesel fuel after  
13 October 1, 2020, and an additional \$0.02 per gallon  
14 of gasoline or diesel fuel after October 1, 2021.  
15 Act 2019-2 also provides for an automatic indexing  
16 of the gasoline and diesel fuel excise tax  
17 beginning October 1, 2023 and continuing every  
18 other year.

19 This bill would sunset the indexing  
20 provisions found in Act 2019-2 after twenty years.

21  
22 A BILL  
23 TO BE ENTITLED  
24 AN ACT  
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1           To amend Section 6 of Act 2019-2, the Rebuild  
2 Alabama Act, to repeal the indexing provisions for gasoline  
3 and diesel fuel excise taxes after twenty years.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5           Section 1. Section 6 of Act 2019-2, 2019 First  
6 Special Session, is amended as follows:

7           "Section 6. (a) Effective for tax periods beginning  
8 after August 31, 2019, an additional excise tax of six cents  
9 (\$0.06) is imposed on each net gallon of gasoline and diesel  
10 fuel.

11           "(b) Effective October 1, 2020, this additional  
12 excise tax is increased by two cents (\$.02) to eight cents  
13 (\$0.08) on each net gallon of gasoline and diesel fuel.

14           "(c) Effective October 1, 2021, this additional  
15 excise tax is increased by two cents (\$.02) to ten cents  
16 (\$0.10) on each net gallon of gasoline and diesel fuel.

17           "(d) Beginning October 1, 2023, and on June 1 July 1  
18 of every other year thereafter, the excise tax rate provided  
19 in this section shall be adjusted by the percentage change in  
20 the yearly average of the National Highway Construction Cost  
21 Index (NHCCI) issued by the U. S. Federal Highway  
22 Administration (FHWA) for the most recent 12-month period  
23 ending December 31, compared to the base year average, which  
24 is the average for the 12-month period ending December 31,  
25 2020 and rounded to the nearest whole cent. The maximum amount  
26 of increase or decrease in the excise tax rate shall not  
27 exceed \$.01 per net gallon of gasoline or diesel fuel and

1 shall take effect every other year. The Department of Revenue  
2 shall notify each terminal supplier, position holder, licensed  
3 distributors distributor, and importer of the tax rate  
4 adjustment applicable under this paragraph for the 12-month  
5 period beginning on or before March 1.

6 "(e) The indexing provisions of subsection (d) shall  
7 terminate on September 1, 2039.

8 "(f) This additional excise tax shall be levied,  
9 administered, and collected in accordance with the provisions  
10 of Article 12 of Chapter 17 of Title 40 of the Code of Alabama  
11 1975, provided that the due date for payment and filing of  
12 returns for all motor fuel taxes, including the additional  
13 amounts levied in this act, shall be the 20th day of the month  
14 following the month in which the tax accrues, except as  
15 otherwise provided in Section 40-17-340 (d), and the bond  
16 required under Section 40-17-335 (a) (1) shall not exceed three  
17 million dollars (\$3,000,000). The net tax proceeds, after the  
18 cost of collection and distribution to the Alabama Highway  
19 Finance Corporation authorized by this act shall be  
20 distributed to the state and to each county and municipality  
21 for transportation infrastructure purposes in accordance with  
22 the provisions this act."

23 Section 2. This act shall become effective  
24 immediately following its passage and approval by the  
25 Governor, or its otherwise becoming law.