

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1143S.02C
 Bill No.: SCS for SB 262
 Subject: Motor Fuel; Taxation and Revenue - General; Transportation; Transportation,
 Department of
 Type: Original
 Date: February 19, 2021

Bill Summary: This proposal enacts an additional tax on motor fuel and provides for an exemption and refund process for the additional tax.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2029)
General Revenue*	(\$1,275)	More than or Less than (\$11,654,211 to \$23,329,378)	More than or Less than (\$9,878,030 to \$19,741,307)	(\$25,506)
Total Estimated Net Effect on General Revenue	(\$1,275)	More than or Less than (\$11,654,211 to \$23,329,378)	More than or Less than (\$9,878,030 to \$19,741,307)	(\$25,506)

*The fiscal impact to General Revenue from FY 2023 through FY 2028 depends on the number of fuel tax refund applications submitted to the Department of Revenue. **The numbers in FY 2023 and FY 2024 represent a range of 20% to 40% of potential refund applications submitted, resulting in a need for 200 to 400 additional Department of Revenue FTE to process the refunds. The number of refund applications could vary substantially.**

The Department of Revenue estimates the gross amount of fuel tax this proposal is anticipated to generate (before refunds) by fiscal year would be:

Fiscal Year	State Road Fund	County	Cities	Total
2022	\$37,504,890	\$6,165,187	\$7,706,484	\$51,376,562
2023	\$112,514,671	\$18,495,562	\$23,119,453	\$154,129,686
2024	\$187,524,452	\$30,825,937	\$38,532,422	\$256,882,811
2025	\$262,534,232	\$43,156,312	\$53,945,390	\$359,635,935
2026	\$337,544,013	\$55,486,687	\$69,358,359	\$462,389,059
2027	\$412,553,794	\$67,817,062	\$84,771,328	\$565,142,183
2028	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2029)
Gaming Fund	(\$1,275)	(\$7,652)	(\$12,753)	(\$25,506)
Highway Fund	(\$10,203)	(\$61,216)	(\$102,026)	(\$204,052)
State Road Fund	\$37,504,890	More than or Less than \$82,510,759 to \$97,512,715	More than or Less than \$127,516,628 to \$157,520,540	\$450,058,684
Other State Funds	(Unknown)	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on Other State Funds	Less than \$37,493,412	More than or Less than \$82,441,8981 to \$97,443,847	More than or Less than \$127,401,849 to \$157,405,761	Less than \$449,829,126

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2029)
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2029)
General Revenue - DOR	0 FTE	More than or Less than 200 to 400 FTE	More than or Less than 200 to 400 FTE	0 FTE
Total Estimated Net Effect on FTE	0 FTE	More than or Less than 200 to 400 FTE	More than or Less than 200 to 400 FTE	0 FTE

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2022	FY 2023	FY 2024	Fully Implemented (FY 2029)
Local Government	Less than \$13,871,671	More than or Less than \$30,517,678 to \$36,066,346	More than or Less than \$47,163,684 to \$58,261,022	Less than \$166,460,061

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Budget and Planning (B&P)** assume the following regarding this proposal:

Section 142.803, RSMo, would create an additional motor fuel tax beginning with calendar year 2022. The additional tax will be \$0.025 in calendar year 2022 and increase by \$0.025 per year for six years until reaching a total of \$0.15 for calendar year 2027 and beyond. Table 1 shows the additional tax rate by year.

Table 1: Motor Fuel Tax

Calendar Year	Additional Tax	Total Motor Fuel Tax
2022	\$0.025	\$0.195
2023	\$0.050	\$0.220
2024	\$0.075	\$0.245
2025	\$0.100	\$0.270
2026	\$0.125	\$0.295
2027	\$0.150	\$0.320
2028	\$0.150	\$0.320

Based on FY 2020 motor fuel tax collections of \$698.7M, B&P estimates that 4,110.1M gallons of motor fuel were taxed. B&P notes that it is unknown how much FY 2020 collections were impacted by COVID-19 and what future permanent changes to fuel consumption will occur as a result of the pandemic. Using this estimate, B&P calculates that each \$0.025 increase in the motor fuel tax will generate \$102.7 million in revenue. Table 2 shows the estimated revenue impact for each fuel type by calendar year.

Table 2: Motor Fuel Tax Increase Revenue by Calendar Year

Fuel Type	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028
Gasoline	\$74,958,607	\$149,917,213	\$224,875,820	\$299,834,427	\$374,793,033	\$449,751,640	\$449,751,640
Diesel	\$27,794,518	\$55,589,035	\$83,383,553	\$111,178,070	\$138,972,588	\$166,767,106	\$166,767,106
Total	\$102,753,124	\$205,506,248	\$308,259,373	\$411,012,497	\$513,765,621	\$616,518,745	\$616,518,745

Section 144.822, RSMo, would allow taxpayers to seek a refund for the additional tax created under Subsection 144.803.3, RSMo. The refund shall be granted for motor vehicles driving on highways.

B&P notes that per Article IV, Section 30(a) and Section 142.815, RSMo, other types of vehicles that use motor fuel (such as boats) are already exempt from motor fuel taxes. A taxpayer claiming the refund must provide a written statement as well as proof of paid motor fuel purchases. Refund claims must be submitted between January 1st and April 15th of the year following the calendar year when the motor fuel was purchased. Subsection 142.822.5, RSMo, requires DOR to pay interest on any refunds not made within 30 days. Subsection 142.822.6, RSMo, would end the exemption for the additional motor fuel after calendar year 2027 (final refund claims made 1/1/2028 – 4/15/2028). B&P is unable to determine the number of taxpayers who will apply for the fuel tax refund. Therefore, B&P will reflect the impact from this section as \$0 to the full amount of motor fuel tax revenues generated under Subsection 144.803.3, RSMo.

B&P estimates that this proposal may increase fuel tax revenues by \$51,376,562 in FY 2022. B&P notes that calendar year 2022 refunds would not be issued until FY 2023. Therefore, B&P estimates that motor fuel tax revenues may increase from \$51,376,562 to \$154,129,686 in FY 2023, depending on the number of refund claims. Once fully implemented in FY 2029, this proposal may increase motor fuel tax revenues by \$616,518,745 annually. Table 3 shows the estimated revenue impact for both the additional motor fuel tax and refund claims.

Table 3: Motor Fuel Tax Increase Revenue by Fiscal Year

Fuel Type	FY 2022	FY 2023		FY 2024	
		High Refunds	Low Refunds	High Refunds	Low Refunds
Motor Fuel Tax Revenue	\$51,376,562	\$154,129,686	\$154,129,686	\$256,882,811	\$256,882,811
Tax Exemption Refund	\$0	(\$102,753,124)	\$0	(\$205,506,248)	\$0
Total Revenue	\$51,376,562	\$51,376,562	\$154,129,686	\$51,376,562	\$256,882,811

Table 3: Motor Fuel Tax Increase Revenue by Fiscal Year (cont.)

Fuel Type	FY 2025		FY 2026		FY 2027	
	High Refunds	Low Refunds	High Refunds	Low Refunds	High Refunds	Low Refunds
Motor Fuel Tax Revenue	\$359,635,935	\$359,635,935	\$462,389,059	\$462,389,059	\$565,142,183	\$565,142,183
Tax Exemption Refund	(\$308,259,373)	\$0	(\$411,012,497)	\$0	(\$513,765,621)	\$0
Total Revenue	\$51,376,562	\$359,635,935	\$51,376,562	\$462,389,059	\$51,376,562	\$565,142,183

Table 3: Motor Fuel Tax Increase Revenue by Fiscal Year (cont.)

Fuel Type	FY 2028		FY 2029
	High Refunds	Low Refunds	
Motor Fuel Tax Revenue	\$616,518,745	\$616,518,745	\$616,518,745
Tax Exemption Refund	(\$616,518,745)	\$0	\$0
Total Revenue	\$0	\$616,518,745	\$616,518,745

Based on these calculations, B&P estimates that this proposal will generate \$35,963,593 for the State Road Fund and \$15,412,969 in local fuel funds in FY 2022. In FY 2023, this proposal may generate \$35,963,593 to \$107,890,780 for the State Road Fund and \$15,412,969 to \$46,238,906 in local fuel funds, depending on the number of refund claims received. Once fully implemented in FY 2029, this proposal may increase the State Road Fund by \$431,563,122 and local fuel funds by \$184,955,624.

Table 4: Total Revenue Generated from Proposed Tax Increases

State Fund	FY 2022	FY 2023		FY 2024	
		Low	High	Low	High
State Road Fund	\$35,963,593	\$35,963,593	\$107,890,780	\$35,963,593	\$179,817,967
Local Funds					
CART	\$7,706,484	\$7,706,484	\$23,119,453	\$7,706,484	\$38,532,422
Other	\$7,706,484	\$7,706,484	\$23,119,453	\$7,706,484	\$38,532,422
Total Local	\$15,412,969	\$15,412,969	\$46,238,906	\$15,412,969	\$77,064,843

Table 4: Total Revenue Generated from Proposed Tax Increases (cont.)

State Fund	FY 2025		FY 2026		FY 2027	
	Low	High	Low	High	Low	High
State Road Fund	\$35,963,593	\$251,745,154	\$35,963,593	\$323,672,341	\$35,963,593	\$395,599,528
Local Funds						
CART	\$7,706,484	\$53,945,390	\$7,706,484	\$69,358,359	\$7,706,484	\$84,771,328
Other	\$7,706,484	\$53,945,390	\$7,706,484	\$69,358,359	\$7,706,484	\$84,771,328

Total						
Local	\$15,412,969	\$107,890,780	\$15,412,969	\$138,716,718	\$15,412,969	\$169,542,655

Table 4: Total Revenue Generated from Proposed Tax Increases (cont.)

State Fund	FY 2028		FY 2029
	Low	High	
State Road Fund	\$0	\$431,563,122	\$431,563,122
Local Funds			
CART	\$0	\$92,477,812	\$92,477,812
Other	\$0	\$92,477,812	\$92,477,812
Total Local	\$0	\$184,955,624	\$184,955,624

Officials from the **Department of Revenue (DOR)** assume the following regarding this proposal:

Section 142.803 Motor Fuel

The Department of Revenue notes this proposal would keep the current motor fuel tax of seventeen cents per gallon and add a bonus motor fuel tax that phases in over the next seven years. This new phased in tax increases each year on January 1st. The phased in tax is scheduled to be from January 1, 2022, to December 31, 2022, two and a half cents per gallon; from January 1, 2023, to December 31, 2023, five cents per gallon; from January 1, 2024, to December 31, 2024, seven and a half cents per gallon; from January 1, 2025, to December 31, 2025, ten cents per gallon; from January 1, 2026, to December 31, 2026, twelve and a half cents per gallon; and on and after January 1, 2027, fifteen cents per gallon. This tax would continue at the additional fifteen cents into the future.

Currently the seventeen cents per gallon paid on motor fuel is collected at the gas pump and is required to be paid by all. However, those who do not use their vehicle on the highway or state road systems can apply to receive a refund of the tax they paid. Examples of those vehicles that can receive a refund include boats and farm equipment.

Using the amount of taxes collected in 2020, DOR was able to estimate the number of motor fuel gallons sold. Using that data DOR was able to calculate the difference between the current seventeen cents rate and the new bonus tax rate each calendar year.

The following information was used to calculate the fiscal impact:

Net Amount	FY 2020 - Taxes	2020 Current Tax	2020 # Gallons sold
gallons of gas taxed	\$509,718,525.05	0.17	2,998,344,265
gallons of diesel taxed	\$189,002,719.82	0.17	1,111,780,705
gas/diesel	\$698,721,244.87		4,110,124,970

The Department will use the FY 2020 numbers for calculating this fiscal note. The Department notes these numbers may include economic disruptions caused by the COVID pandemic and stay at home orders that may be one-time occurrences. However, the Department is unable to predict whether those disruptions will have any long-term impact on the number of gallons of motor fuel sold in the future, so the Department assumes any future fiscal impact potentially could exceed the impact calculated for this fiscal note.

Motor Fuel tax money is distributed as follows:

All money goes into Motor Fuel Tax Fund (0673) then is distributed as below:	
Cities 15%	0.15
Counties 12%	0.12
State Road Fund (0320)	0.73
	100%

Tax Year	Gas Current Law	Bonus Gas Tax Proposed	Diesel Current Law	Bonus Diesel Tax Proposed
2022	\$0.17	\$0.195	\$0.17	\$0.195
2023	\$0.17	\$0.220	\$0.17	\$0.220
2024	\$0.17	\$0.245	\$0.17	\$0.245
2025	\$0.17	\$0.270	\$0.17	\$0.270
2026	\$0.17	\$0.295	\$0.17	\$0.295
2027	\$0.17	\$0.320	\$0.17	\$0.320
2028	\$0.17	\$0.320	\$0.17	\$0.320
2029	\$0.17	\$0.320	\$0.17	\$0.320
2030	\$0.17	\$0.320	\$0.17	\$0.320

The Department notes that this proposal would change the tax rate at the mid-point of each fiscal year. Therefore, each fiscal year contains two separate motor fuel rates.

Calendar Year	State Road Fund	County	Cities	Total
2022	\$75,009,781	\$12,330,375	\$15,412,969	\$102,753,124
2023	\$150,019,561	\$24,660,750	\$30,825,937	\$205,506,248
2024	\$225,029,342	\$36,991,125	\$46,238,906	\$308,259,373
2025	\$300,039,123	\$49,321,500	\$61,651,875	\$411,012,497
2026	\$375,048,903	\$61,651,875	\$77,064,843	\$513,765,621
2027	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745
2028	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745
2029	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745
2030	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745
2031	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745
2032	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745

Fiscal Year	State Road Fund	County	Cities	Total
2022	\$37,504,890	\$6,165,187	\$7,706,484	\$51,376,562
2023	\$112,514,671	\$18,495,562	\$23,119,453	\$154,129,686
2024	\$187,524,452	\$30,825,937	\$38,532,422	\$256,882,811
2025	\$262,534,232	\$43,156,312	\$53,945,390	\$359,635,935
2026	\$337,544,013	\$55,486,687	\$69,358,359	\$462,389,059
2027	\$412,553,794	\$67,817,062	\$84,771,328	\$565,142,183
2028	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745
2029	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745
2030	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745
2031	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745
2032	\$450,058,684	\$73,982,249	\$92,477,812	\$616,518,745

This proposal requires that the bonus tax be collected from everyone at the gas pump. However, it states that this bonus motor fuel tax can be refunded to any person who uses their motor vehicle on the highways. The intent of this legislation appears to create a refund policy for those that do not want to pay additional motor fuel tax that is similar to the policy for those whose vehicles are not used on the highways.

It should be noted that the motor fuel tax refund would impact the State Road Fund, Cities and Counties as well. Refunds are paid out of the money collected. This proposal states that the refund would be made on the purchases in a calendar year. Therefore, when calculating the fiscal note DOR will show the full calendar year numbers as the refund amount.

The Department has no data to indicate how many customers will apply for the refund. For fiscal note purposes the Department will show the range as \$0 money is refunded to the full amount of the tax collected being refunded. This would result in an impact of:

Estimated Refunds per Fiscal Year

Fiscal Year	Total
2022	\$0
2023	\$0 to (\$102,753,124)
2024	\$0 to (\$205,506,248)
2025	\$0 to (\$308,259,372)
2026	\$0 to (\$411,012,497)
2027	\$0 to (\$513,765,621)
2028	\$0 to (\$616,518,745)
2029+	\$0

This proposal states that the refund program ends on April 16, 2028. At that time, customers will no longer be eligible to receive a refund of the tax.

Summary Impact

Fiscal Year	Motor Fuel Collected	Potential Refunds Issued
2022	\$51,376,562.12	\$0
2023	\$154,129,686.37	\$0 to (\$102,753,124)
2024	\$256,882,810.61	\$0 to (\$205,506,248)
2025	\$359,635,934.86	\$0 to (\$308,259,372)
2026	\$462,389,059.11	\$0 to (\$411,012,496)
2027	\$565,142,183.35	\$0 to (\$513,765,621)
2028	\$616,518,745.47	\$0 to (\$616,518,745)
2029+	\$616,518,745.47	\$0

Administrative Impact

Creating a second motor fuel tax and changing the amount annually will result in additional form and programming changes which are estimated to cost \$2,000 annually.

To claim a refund for motor fuel, a refund claim form is submitted with all receipts to the Department. A staff person reviews the claim form and all the receipts attached to verify the amount of the refund. An Associate Customer Service Representative can process approximately 4,000 refunds annually.

The Department will need additional staff for every 4,000 claims that are submitted. Given the current volume of refunds processed annually, it is estimated that for every 20% of the eligible customers that file for a refund, the Department will need 200 Associate Customer Service Representatives.

The Department assumes all administrative costs will come out of General Revenue. The Department notes that once all the final refunds are processed after April 16, 2028, (the required end of the refund program), the Department would no longer need the FTE.

For the purposes of the fiscal note, DOR will show between 200 and 1,000 needed FTE based on 20%-100% of the refunds issued. They included salary, fringe, equipment and expense costs. They also included rental costs for space to house these new employees.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by DOR through FY 2029 to account for potential refunds processed through the end of the program in April of 2028; however, based on refund issuances in a similar program in South Carolina, Oversight will range the fiscal impact from 20% to 40% of highway users that will claim a refund, including DOR's need for FTEs. In addition, Oversight will not reflect any costs to DOR in FY 2022 due to no refunds being issued until after the calendar year has concluded. For simplicity, Oversight will not show the transfer of funds from the Motor Fuel Tax Fund to the State Road Fund and Cities and Counties on the fiscal note.

Officials from the **Missouri Highway Patrol (MHP)** assume the following increase in fuel costs to the Patrol are based on the Patrol's FY 2020 fuel usage of 2,040,517 gallons of fuel.

Year one - (\$0.025 per gallon increase) - \$51,012.93 additional expenditure. Because the increase becomes effective on January 1st, 2022, the first year impact is for the 6 months only (\$25,507).

Each additional year would add an additional \$51,012.93 to the Patrol's expenditures.

The breakdown would be 80% paid with Highway Funds, 10% each paid with Gaming and General Revenue funds.

Oversight does not have information to the contrary and therefore, Oversight will reflect the cost estimates as provided by MHP. Based on MHP's total amount of fuel used in FY 2020, Oversight was able to calculate the increased costs of fuel tax to the MHP below (taking into consideration calendar year/fiscal year):

Fiscal Year	Highway Fund	Gaming	General Revenue
2022	\$10,203	\$1,275	\$1,275
2023	\$61,216	\$7,652	\$7,652
2024	\$102,026	\$12,753	\$12,753

2025	\$142,836	\$17,855	\$17,855
2026	\$183,647	\$22,956	\$22,956
2027	\$204,052	\$25,506	\$25,506
2028	\$204,052	\$25,506	\$25,506
2029	\$204,052	\$25,506	\$25,506

Officials from the **Missouri Department of Conservation** assume this proposal will have a negative fiscal impact of “Less than \$250,000” on their organization due to the increased cost of diesel fuel.

Oversight does not have any information to the contrary in regards to MDC’s assumptions; therefore, Oversight will reflect a negative “Unknown” cost on the fiscal note. Oversight will reflect this potential impact to Various State Funds (includes MDC, DNR, MoDOT, etc. as well as local political subdivisions).

Officials from the **Missouri Department of Transportation** defer to DOR for the potential fiscal impact of this proposal.

In response to a previous version, officials from the **Office of Administration** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Oversight notes if the average vehicle is driven 13,500 miles per year, and averages approximately 25 mpg, the average owner will pay an additional \$13.50 in new tax per 2.5 cents in increased fuel tax. At the end of all of the increases (6 years), the same driver would pay an additional \$81.00 per year per vehicle (\$162 for a two-vehicle household).

	vehicle 1	vehicle 2	Total
	13500	13500	
0.025	\$ 13.50	\$ 13.50	\$ 27.00
0.05	\$ 27.00	\$ 27.00	\$ 54.00
0.075	\$ 40.50	\$ 40.50	\$ 81.00
0.1	\$ 54.00	\$ 54.00	\$ 108.00
0.125	\$ 67.50	\$ 67.50	\$ 135.00
0.15	\$ 81.00	\$ 81.00	\$ 162.00

Oversight notes the state of South Carolina implemented a similar program. South Carolina increased its motor fuel tax by 2 cents each year starting in FY 2017. It was \$0.16 per gallon in FY 2016, and will increase by 2 cents each year until it reaches a total of \$0.28 cents in FY 2022. South Carolina residents can submit a refund application each year for the lesser of their increased motor fuel taxes paid or their preventive maintenance performed on their motor vehicles. Oversight notes a relatively small number of refunds were issued under this program

(for 2018, only 80,600 refunds were paid totalling \$2 million and for FY 2020, only 79,000 refunds were paid totalling \$3.4 million). Oversight notes South Carolina had an annual appropriated limit on its refunds, and the refunds were allowed to the lesser of the increase in fuel tax residents paid and their preventative maintenance spent on their vehicles. Oversight assumes the number of applications for refunds may grow as the fuel tax increase grows.

<u>FISCAL</u> <u>IMPACT – State</u> <u>Government</u>	FY 2022 (6 Mo.)	FY 2023	FY 2024	Fully Implemented (FY 2029)
GENERAL REVENUE FUND				
<u>Cost – MHP – increased motor fuel costs</u>	<u>(\$1,275)</u>	<u>(\$7,652)</u>	<u>(\$12,753)</u>	<u>(\$25,506)</u>
<u>Cost – DOR – FTE to process increase in motor fuel tax refunds</u>		More than or Less than...	More than or Less than...	
Personal Services	\$0	(\$4,920,720 to \$9,841,440)	(\$4,969,927 to \$9,939,854)	\$0
Fringe Benefits	\$0	(\$4,048,743 to \$8,097,486)	(\$4,065,350 to \$8,130,700)	\$0
Expense and Equipment	\$0	(\$1,862,400 to \$3,724,800)	\$0	\$0
Form Changes	\$0	(\$2,000)	(\$2,000)	\$0
Rental Floor Space	\$0	(\$828,000 to \$1,656,000)	(\$828,000 to \$1,656,000)	\$0
Total Costs – DOR	<u>\$0</u>	<u>(\$11,661,863) to (\$23,321,726)</u>	<u>(\$9,865,277) to (\$19,728,554)</u>	<u>\$0</u>
FTE Change – DOR	0 FTE	200 to 400 FTE	200 to 400 FTE	0 FTE
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$1,275)</u>	More than or Less than <u>(\$11,654,211 to \$23,329,378)</u>	More than or Less than <u>(\$9,878,030 to \$19,741,307)</u>	<u>(\$25,506)</u>

Estimated Net FTE Change to the General Revenue Fund	0 FTE	More than or Less than 200 to 400 FTE	More than or Less than 200 to 400 FTE	0 FTE
GAMING FUND				
<u>Cost</u> – MHP – increased motor fuel costs	<u>(\$1,275)</u>	<u>(\$7,652)</u>	<u>(\$12,753)</u>	<u>(\$25,506)</u>
ESTIMATED NET EFFECT ON THE GAMING FUND	<u>(\$1,275)</u>	<u>(\$7,652)</u>	<u>(\$12,753)</u>	<u>(\$25,506)</u>
HIGHWAY FUND				
<u>Cost</u> – MHP – increased motor fuel costs	<u>(\$10,203)</u>	<u>(\$61,216)</u>	<u>(\$102,026)</u>	<u>(\$204,052)</u>
ESTIMATED NET EFFECT ON THE HIGHWAY FUND	<u>(\$10,203)</u>	<u>(\$61,216)</u>	<u>(\$102,026)</u>	<u>(\$204,052)</u>
STATE ROAD FUND				
<u>Revenue</u> – increased motor fuel tax	\$37,504,890	\$112,514,671	\$187,524,452	\$450,058,684
<u>Loss</u> – refunds for motor fuel tax	\$0	More than or Less than <u>(\$15,001,956 to \$30,003,912)</u>	More than or Less than <u>(\$41,101,250 to \$82,202,499)</u>	<u>\$0</u>

ESTIMATED NET EFFECT ON THE STATE ROAD FUND	<u>\$37,504,890</u>	More than or Less than \$82,510,759 to <u>\$97,512,715</u>	<u>More than or Less than \$127,516,628 to \$157,520,540</u>	<u>\$450,058,684</u>
OTHER STATE FUNDS				
<u>Cost - Various state departments - potential increase in fuel costs</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON THE OTHER STATE FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL</u> <u>IMPACT – Local</u> <u>Government</u>	FY 2022 (6 Mo.)	FY 2023	FY 2024	Fully Implemented (FY 2029)
LOCAL POLITICAL SUBDIVISIONS				
<u>Revenue</u> (Cities 15%) – increased motor fuel tax	\$7,706,484	\$23,119,453	\$38,532,422	\$92,477,812
<u>Revenue</u> (Counties 12%) – increased motor fuel tax	\$6,165,187	\$18,495,562	\$30,825,937	\$73,982,249
<u>Cost</u> - potential increase in fuel costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>Loss</u> (Cities 15%) – refunds for motor fuel tax	\$0	(\$3,082,594 to \$6,165,187)	(\$6,165,187 to \$12,330,375)	\$0
<u>Loss</u> (Counties 10%) – refunds for motor fuel tax	<u>\$0</u>	(\$2,466,075 to <u>\$4,932,150</u>)	(\$4,932,150 to <u>\$9,864,300</u>)	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Less than <u>\$13,871,671</u>	More than \$30,517,678 to Less than <u>\$36,066,346</u>	More than \$47,163,684 to Less than <u>\$58,261,022</u>	Less than <u>\$166,460,061</u>

FISCAL IMPACT – Small Business

Small businesses could pay more for motor fuel as a result of this proposal.

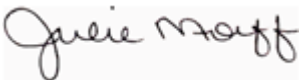
FISCAL DESCRIPTION

This proposal enacts an additional tax on motor fuel and provides for an exemption and refund process for the additional tax.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of Administration - Budget and Planning
Missouri Department of Conservation
Missouri Department of Transportation
Missouri Highway Patrol
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of Administration



Julie Morff
Director
February 19, 2021



Ross Strobe
Assistant Director
February 19, 2021