

House Bill 2550

Sponsored by Representative GREENLICK; Representatives GORSEK, NOSSE, SMITH WARNER (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases fuel tax and motor carrier taxes. Schedules future increases of fuel tax every five years.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to vehicle taxes; amending ORS 319.020, 319.530, 825.476 and 825.480; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

3
4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 319.020 is amended to read:

6 319.020. (1) Subject to subsections (2) to (4) of this section, in addition to the taxes otherwise
7 provided for by law, every dealer engaging in the dealer's own name, or in the name of others, in
8 the first sale, use or distribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehicle
9 fuel or aircraft fuel for sale, use or distribution within areas in this state within which the state
10 lacks the power to tax the sale, use or distribution of motor vehicle fuel or aircraft fuel, shall:

11 (a) Not later than the 25th day of each calendar month, render a statement to the Department
12 of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn
13 by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state
14 by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the
15 applicable license tax during the preceding calendar month. The dealer shall render the statement
16 to the department in the manner provided by the department by rule.

17 (b) Except as provided in ORS 319.270, pay a license tax computed on the basis of [30] **35** cents
18 per gallon on the first sale, use or distribution of such motor vehicle fuel [*or aircraft fuel*] so sold,
19 used, distributed or withdrawn as shown by such statement in the manner and within the time provided in ORS 319.010 to 319.430. **On January 1, 2021, and on January 1 of each fifth year thereafter, the license tax imposed under this paragraph is increased by five cents.**

22 (c) **Except as provided in ORS 319.270, pay a license tax computed on the basis of 30 cents**
23 **per gallon on the first sale, use or distribution of such aircraft fuel so sold, used, distributed**
24 **or withdrawn as shown by such statement in the manner and within the time provided in**
25 **ORS 319.010 to 319.430.**

26 (2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed
27 on the basis of nine cents per gallon of fuel so sold, used or distributed, except that when aircraft
28 fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distributed, the
29 tax rate shall be one cent per gallon.

30 (3) In lieu of claiming refund of the tax paid on motor vehicle fuel consumed by such dealer in
31 nonhighway use as provided in ORS 319.280, 319.290 and 319.320, or of any prior erroneous payment

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 of license tax made to the state by such dealer, the dealer may show such motor vehicle fuel as a
2 credit or deduction on the monthly statement and payment of tax.

3 (4) The license tax computed on the basis of the sale, use, distribution or withdrawal of motor
4 vehicle or aircraft fuel may not be imposed wherever such tax is prohibited by the Constitution or
5 laws of the United States with respect to such tax.

6 **SECTION 2.** ORS 319.530 is amended to read:

7 319.530. (1)(a) To compensate this state partially for the use of its highways, an excise tax
8 hereby is imposed at the rate of [30] **35** cents per gallon on the use of fuel in a motor vehicle.

9 **(b) On January 1, 2021, and on January 1 of each fifth year thereafter, the rate of the**
10 **excise tax imposed under paragraph (a) of this subsection is increased by five cents.**

11 (2) Except as otherwise provided in subsections (3) and (4) of this section, 100 cubic feet of fuel
12 used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees
13 Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

14 (3) One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous state,
15 measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the
16 same rate as a gallon of liquid fuel.

17 (4) One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at the
18 same rate as a gallon of other liquid fuel.

19 (5)(a) Except as provided in paragraph (b) of this subsection, the excise tax imposed under sub-
20 section (1) of this section does not apply to diesel fuel blended with a minimum of 20 percent
21 biodiesel that is derived from used cooking oil.

22 (b) The exemption provided under paragraph (a) of this subsection does not apply to fuel:

- 23 (A) Used in motor vehicles that have a gross vehicle weight rating of 26,001 pounds or more;
- 24 (B) That is not sold in retail operations; or
- 25 (C) That is sold in operations involving fleet fueling or bulk sales.

26 **SECTION 3.** ORS 319.530, as amended by section 3, chapter 648, Oregon Laws 2013, is amended
27 to read:

28 319.530. (1)(a) To compensate this state partially for the use of its highways, an excise tax
29 hereby is imposed at the rate of [30] **35** cents per gallon on the use of fuel in a motor vehicle.

30 **(b) On January 1, 2021, and on January 1 of each fifth year thereafter, the rate of the**
31 **excise tax imposed under paragraph (a) of this subsection is increased by five cents.**

32 (2) Except as otherwise provided in subsections (3) and (4) of this section, 100 cubic feet of fuel
33 used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees
34 Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

35 (3) One hundred twenty cubic feet of compressed natural gas used or sold in a gaseous state,
36 measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the
37 same rate as a gallon of liquid fuel.

38 (4) One and three-tenths liquid gallons of propane at 60 degrees Fahrenheit is taxable at the
39 same rate as a gallon of other liquid fuel.

40 **SECTION 4.** ORS 825.476 is amended to read:

41 825.476.



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44 MILEAGE TAX RATE TABLE "A"

45 Declared Combined Fee Rates

1	Weight Groups	Per Mile
2	(Pounds)	(Mills)
3	26,001 to 28,000	[49.8] _____
4	28,001 to 30,000	[52.8] _____
5	30,001 to 32,000	[55.2] _____
6	32,001 to 34,000	[57.6] _____
7	34,001 to 36,000	[59.9] _____
8	36,001 to 38,000	[63.0] _____
9	38,001 to 40,000	[65.4] _____
10	40,001 to 42,000	[67.7] _____
11	42,001 to 44,000	[70.2] _____
12	44,001 to 46,000	[72.6] _____
13	46,001 to 48,000	[74.9] _____
14	48,001 to 50,000	[77.4] _____
15	50,001 to 52,000	[80.3] _____
16	52,001 to 54,000	[83.3] _____
17	54,001 to 56,000	[86.4] _____
18	56,001 to 58,000	[90.0] _____
19	58,001 to 60,000	[94.1] _____
20	60,001 to 62,000	[99.0] _____
21	62,001 to 64,000	[104.5] _____
22	64,001 to 66,000	[110.4] _____
23	66,001 to 68,000	[118.3] _____
24	68,001 to 70,000	[126.6] _____
25	70,001 to 72,000	[135.0] _____
26	72,001 to 74,000	[142.7] _____
27	74,001 to 76,000	[150.0] _____
28	76,001 to 78,000	[157.2] _____
29	78,001 to 80,000	[163.8] _____

AXLE-WEIGHT MILEAGE
TAX RATE TABLE "B"

34	Declared Combined	Number of Axles				
35	Weight Groups	5	6	7	8	9 or
36	(Pounds)	(Mills)				
37						more
37	80,001 to 82,000	[169.2]	154.8	144.7	137.4	129.6]
38		_____	_____	_____	_____	_____
39	82,001 to 84,000	[174.7]	157.2	147.0	139.2	131.3]
40		_____	_____	_____	_____	_____
41	84,001 to 86,000	[179.9]	160.9	149.4	140.9	133.2]
42		_____	_____	_____	_____	_____
43	86,001 to 88,000	[186.0]	164.3	151.8	143.4	135.0]
44		_____	_____	_____	_____	_____
45	88,001 to 90,000	[193.2]	168.6	154.3	145.8	137.4]

1						
2	90,001 to 92,000	[201.6	173.4	156.5	148.2	139.8]
3						
4	92,001 to 94,000	[210.7	178.2	159.0	150.5	141.7]
5						
6	94,001 to 96,000	[220.2	183.6	162.0	153.0	143.9]
7						
8	96,001 to 98,000	[230.4	190.2	165.6	155.5	146.4]
9						
10	98,001 to 100,000		[197.3	169.2	158.4	148.8]
11						
12	100,001 to 102,000			[172.8	162.0	151.3]
13						
14	102,001 to 104,000			[176.4	165.6	154.3]
15						
16	104,001 to 105,500			[181.1	169.2	157.2]
17						

SECTION 5. ORS 825.480 is amended to read:

825.480. (1)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of logs, poles, peeler cores or piling may pay annual fees for such operation computed at the rate of *[seven dollars and fifty-nine cents]* _____ for each 100 pounds of declared combined weight.

(b) Any carrier electing to pay fees under this method may, as to vehicles otherwise exempt from taxation, elect to be taxed on the mileage basis for movements of such empty vehicles over public highways whenever operations are for the purpose of repair, maintenance, servicing or moving from one exempt highway operation to another.

(2) The annual fees provided in subsections (1), (4) and (5) of this section may be paid on a monthly basis. Any carrier electing to pay fees under this method may not change an election during the same calendar year in which the election is made, but may be relieved from the payment due for any month on a motor vehicle which is not operated. A carrier electing to pay fees under this method shall report and pay these fees on or before the 10th of each month for the preceding month's operations. A monthly report shall be made on all vehicles on the annual fee basis including any vehicle not operated for the month.

(3)(a) In lieu of the fees provided in ORS 825.470 to 825.474, motor vehicles described in ORS 825.024 with a combined weight of less than 46,000 pounds that are being operated under a permit issued under ORS 825.102 may pay annual fees for such operation computed at the rate of *[six dollars and twenty-three cents]* _____ for each 100 pounds of declared combined weight.

(b) The annual fees provided in this subsection shall be paid in advance but may be paid on a monthly basis on or before the first day of the month. A carrier may be relieved from the fees due for any month during which the motor vehicle is not operated for hire if a statement to that effect is filed with the Department of Transportation on or before the fifth day of the first month for which relief is sought.

(4)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in the operation of motor

1 vehicles equipped with dump bodies and used in the transportation of sand, gravel, rock, dirt, debris,
 2 cinders, asphaltic concrete mix, metallic ores and concentrates or raw nonmetallic products,
 3 whether crushed or otherwise, moving from mines, pits or quarries may pay annual fees for such
 4 operation computed at the rate of [*seven dollars and fifty-three cents*] _____ for each 100 pounds
 5 of declared combined weight.

6 (b) Any carrier electing to pay fees under this method may, as to vehicles otherwise exempt for
 7 taxation, elect to be taxed on the mileage basis for movements of such empty vehicles over public
 8 highways whenever operations are for the purpose of repair, maintenance, servicing or moving from
 9 one exempt highway operation to another.

10 (5)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles
 11 in the transportation of wood chips, sawdust, barkdust, hog fuel or shavings may pay annual fees for
 12 such operation computed at the rate of [*thirty dollars and sixty-five cents*] _____ for each 100
 13 pounds of declared combined weight.

14 (b) Any carrier electing to pay under this method may, as to vehicles otherwise exempt from
 15 taxation, elect to be taxed on the mileage basis for movement of such empty vehicles over public
 16 highways whenever operations are for the purpose of repair, maintenance, service or moving from
 17 one exempt highway operation to another.

18 **SECTION 6. This 2015 Act takes effect on the 91st day after the date on which the 2015**
 19 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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