

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO MOTOR AND OTHER VEHICLES -- MOTOR FUEL TAX

Introduced By: Senators Zurier, McKenney, Felag, Rogers, and Picard

Date Introduced: March 23, 2023

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 31-36-7 of the General Laws in Chapter 31-36 entitled "Motor Fuel  
2 Tax" is hereby amended to read as follows:

3 **31-36-7. Monthly report of distributors — Payment of tax.**

4 (a) State requirements. Every distributor shall, on or before the twentieth (20th) day of each  
5 month, render a report to the tax administrator, upon forms to be obtained from the tax  
6 administrator, of the amount (number of gallons) of fuels purchased, sold, or used by the distributor  
7 within this state and the amount of fuels sold by the distributor without this state from fuels within  
8 this state during the preceding calendar month, and, if required by the tax administrator as to  
9 purchases, the name or names of the person or persons from whom purchased and the date and  
10 amount of each purchase, and as to sales, the name or names of the person or persons to whom sold  
11 and the amount of each sale, and shall pay at the same time to the administrator tax at the rate of  
12 thirty-two cents (\$0.32) per gallon on all taxable gallons of fuel sold or used in this state.

13 (b) Federal requirements. In the event the federal government requires a certain portion of  
14 the gasoline tax to be dedicated for highway improvements, then the state controller is directed to  
15 establish a restricted receipt account and deposit that portion of gasoline tax receipts which brings  
16 the state into federal compliance.

17 Beginning July 1, 2015, and every other year thereafter, the gasoline tax shall be adjusted  
18 by the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as  
19 published by the United States Bureau of Labor Statistics determined as of September 30 of the

1 prior calendar year; said adjustment shall be rounded to the nearest one cent (\$.01) increment,  
2 provided that the total tax shall not be less than provided for in section (a).

3 (c)(1) There is created within the general fund a restricted receipt account known as  
4 “municipal projects”. Fifteen percent (15%) of revenue collected from the gasoline tax shall be  
5 deposited into this account each year and used to fund local capital improvements as specified in  
6 subsection (c)(2) of this section.

7 (2) Local communities. The department of transportation shall develop a formula for the  
8 purpose of determining the amount of funding cities and towns receive of the gasoline tax  
9 established pursuant to this section for the implementation of capital improvements on local public  
10 ways, and such formula shall be based on the local road mileage, population, and employment of  
11 each city or town.

12 (3) On or before June 15 of each year, the department of transportation shall determine the  
13 amount of funds from the restricted receipt account established pursuant to subsection (c)(1) of this  
14 section, according to the formula developed in subsection (c)(2) of this section, and based on the  
15 balance in the account as of June 1 of that year. The department of transportation shall then  
16 distribute those amounts to local communities on or before July 1 of each year.

17 SECTION 2. This act shall take effect upon passage.

=====  
LC001091  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO MOTOR AND OTHER VEHICLES -- MOTOR FUEL TAX

\*\*\*

1           This act would create a restricted receipt account wherein fifteen percent (15%) of revenue  
2 collected from the gasoline tax shall be deposited into the account each year and used for the  
3 implementation of capital improvements on local public ways in each municipality. This act would  
4 further requirement the department of transportation to create a formula for the purpose of  
5 determining the amount of funding each municipality receives each year from the restricted receipt  
6 account and distribute the funds to each community on or before July 1 of each year.

7           This act would take effect upon passage.

=====  
LC001091  
=====