BILL SUMMARY
1st Session of the 54th Legislature

Bill No.:	**SB 322**
Version:	**CS**
Request Number:	**7910**
Author:	**Rep. Sears**
Date:	**4/17/2013**
Impact:	**Change in Apportionment And Taxation Method**

Research Analysis

SB322 temporarily lower the motor fuel tax rate for liquefied natural gas (LNG) to $0.05 per diesel gallons equivalent (dge) beginning January 1, 2014. The lower tax rate would be in effect until the tax credit for investments in qualified clean-burning motor vehicle fuel property expires. Currently, the tax credit is set to expire January 1, 2015. The legislative intent is to allow the development of LNG distribution systems.

Prepared By: Quyen Do

Fiscal Analysis

The measure removes liquefied natural gas (LNG) from the special fuels list and the flat decal fee, levies a $0.05 per gasoline gallon equivalent (gge) and provides for revenue apportionment to that of the gasoline excise tax until the clean burning fuel income tax credit (68 O.S., Section 2357.22(A)(1)) expires, at which time the levy is increased to tax rate for diesel on a gge basis.

Special fuel decal fee revenue is deposited in the General Revenue Fund, while the apportionment of the per gge levy will include fractional apportionment to the State Transportation Fund, public transit and passenger rail funds and local governments. The Tax Commission estimates taxable volume of CNG of two million gge in FY-12. The Commission is preparing a comparison of decal revenue to that of the levy included in the measure.

At the time the tax rate becomes the equivalent of the of the excise tax on diesel, the revenue which may be collected on the levy will depend on the volume of taxable gge sold at that time. Not required.

Prepared By: Mark Tygret

Other Considerations

None.