

# OKLAHOMA TAX COMMISSION

## FISCAL IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-SIXTH OKLAHOMA LEGISLATURE

DATE OF IMPACT STATEMENT: April 10, 2017

BILL NUMBER: HB 1449 STATUS AND DATE OF BILL: Committee Report 04/05/2017

AUTHORS: House Roberts (Dustin) Senate Bice

TAX TYPE (S): Motor Vehicle SUBJECT: Other

PROPOSAL: New Law

Section 1 proposes imposition of a motor fuels tax fee of One Hundred Dollars (\$100.00) on every electric-drive motor vehicle<sup>1</sup> and Thirty Dollars (\$30) on every hybrid-drive motor vehicle<sup>2</sup> registered in the state beginning January 1, 2018. All revenues received from these registration fees are to be deposited to the credit of the Rebuilding Oklahoma Access and Driver Safety Fund.

Section 2 proposes amendment to Section 1521 of Title 69 relating to the Rebuilding Oklahoma Access and Driver Safety Fund by providing that the apportionment from income taxes to the fund shall be less than the collections from the motor fuel tax fees described in Section 1.

EFFECTIVE DATE: November 1, 2017

### REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 18: See attached analysis:

FY 19: See attached analysis:

### ADMINISTRATIVE IMPACT:

Insert the estimated cost or savings to the Tax Commission due to this proposed legislation.

FY 18: none

April 10, 2017  
DATE

Rick Miller  
DIVISION DIRECTOR

msm

4-10-17  
DATE

Reece Womack  
REECE WOMACK, ECONOMIST

4/10/17  
DATE

Imy Whit  
FOR THE COMMISSION

<sup>1</sup> Under the measure "electric-drive motor vehicle" is defined as a vehicle subject to a registration fee as provided for in subsection A of Section 1132 of Title 47 of the Oklahoma Statutes that is propelled solely by electrical energy and is not capable of using gasoline, diesel or any other fuel for propulsion.

<sup>2</sup> The measure defines "hybrid-drive motor vehicle" as a vehicle subject to a registration fee as provided for in subsection A of Section 1132 of Title 47 of the Oklahoma Statutes that is capable of being propelled at least in part by electrical energy through the use of a battery storage system of at least four (4) kilowatt-hours, is capable of being recharged from an external source of electricity, and is also capable of using gasoline, diesel fuel or alternative fuel to propel the vehicle.

## ATTACHMENT TO FISCAL IMPACT–HB1449–[Committee Report]–Prepared 04/10/2017

**Section 1** proposes imposition of a motor fuels tax fee of One Hundred Dollars (\$100.00) on every electric-drive motor vehicle<sup>3</sup> and Thirty Dollars (\$30) on every hybrid-drive motor vehicle<sup>4</sup> registered in the state beginning January 1, 2018. All revenues received from these registration fees are to be deposited to the credit of the Rebuilding Oklahoma Access and Driver Safety Fund.

### Electric Drive Motor Vehicles

#### Analysis:

Oklahoma Tax Commission records indicate that there are currently 1,102 low speed and 218 medium speed electric vehicles registered in Oklahoma. According to the U.S. Department of Energy Office of Energy Efficiency & Renewable Energy, approximately 806 plug-in electric vehicles (PEVs) are owned in Oklahoma bringing the total to an estimated 2,126 vehicles that would be subject to the \$100.00 registration fee. Multiplying 2,126 X \$100.00 results in additional estimated motor vehicle revenues of \$212,600.

### Hybrid Drive Motor Vehicles

#### Analysis:

According to the U.S. Department of Energy Office of Energy Efficiency & Renewable Energy, approximately 26,642 hybrid vehicles are owned in Oklahoma that would be subject to the \$30.00 registration fee. Multiplying 26,642 hybrid vehicles by the proposed \$30.00 fee, results in an estimated \$799,260 in additional motor vehicle revenues.

### Net Revenue Impact

The measure proposes an operative date of January 1, 2018 for fee imposition. The combined estimated increase in motor vehicle collections is \$421,608 for FY 18 and \$1,011,860 for FY 19.

Section 2 proposes amendment to Section 1521 of Title 69 relating to the Rebuilding Oklahoma Access and Driver Safety Fund by providing that the apportionment from income taxes to the fund shall be less than the collections from the motor fuel tax fees described in Section 1.

#### Analysis:

FY 18 \$422,000 increase to Roads Fund  
\$422,000 decrease to Roads Fund  
\$422,000 increase to General Revenue Fund

FY 19 \$1,012,000 increase to Roads Fund  
\$1,012,000 decrease to Roads Fund  
\$1,012,000 increase to General Revenue Fund

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<sup>3</sup> Under the measure “electric-drive motor vehicle” is defined as a vehicle subject to a registration fee as provided for in subsection A of Section 1132 of Title 47 of the Oklahoma Statutes that is propelled solely by electrical energy and is not capable of using gasoline, diesel or any other fuel for propulsion.

<sup>4</sup> The measure defines “hybrid-drive motor vehicle” as a vehicle subject to a registration fee as provided for in subsection A of Section 1132 of Title 47 of the Oklahoma Statutes that is capable of being propelled at least in part by electrical energy through the use of a battery storage system of at least four (4) kilowatt-hours, is capable of being recharged from an external source of electricity, and is also capable of using gasoline, diesel fuel or alternative fuel to propel the vehicle.