

STATEMENT OF PURPOSE

RS19163C1

This bill relates to motor fuels taxes.

1. Section 1 amends the definition of the term "motor fuel" to include ethanol, ethanol blended fuel, gasoline blend stocks, and natural gasoline.
2. Section 2 corrects a cross-reference relating to the distribution of revenues from tax on gasoline.
3. Section 3 corrects a cross-reference relating to the distribution of revenues from tax on special fuel.
4. Effective dates:

Section 1 is effective July 1, 2010, at which time inventories of untaxed ethanol will be deemed "received" and reportable for tax purposes.

Sections 2 and 3 are technical corrections to House Bills 338 and 376 enacted in the 2009 legislative session. This bill makes the corrections in Sections 2 and 3 retroactive to July 1, 2009, to correspond with the effective dates of the 2009 legislation.

FISCAL NOTE

There is a one-time revenue acceleration in FY 2011 estimated at less than \$50,000 due to changing in the taxable incident from the time ethanol is blended to make gasohol to the time the ethanol is imported into the state. This may be reduced if distributors reduce inventories in anticipation of this change.

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