

## Repeal sales tax exemption for motor vehicle fuel

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**Description** This proposal would repeal the sales tax exemption for motor vehicle fuel.

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**Current Law** Fuel that is subject to the state and federal motor vehicle fuel tax or special fuel tax (gasoline, diesel, propane, etc. used on public roads) is exempt from retail sales and use tax.

- The state motor vehicle fuel tax rate is 37.5 cents per gallon.
  - The federal motor vehicle fuel tax is 18.4 cents per gallon except that diesel fuel is taxed at 24.4 cents per gallon.
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**Revenue Impact**

General Fund Impacts (\$ millions):

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$0	\$736.3	\$736.3

*Notes:*

- *Estimates assume a July 1, 2012, effective date, representing 11 months of collections for FY 2013.*
  - *Estimates reflect the September 2011 Economic & Revenue Forecast Council revenue forecast.*
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**Expenditure Impact**

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$20,700	\$13,200	\$33,900

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