

## Increase manufacturing B&O tax rate for petroleum fuels to 1%

**Description** This proposal would increase the B&O tax rate for the manufacturing of motor vehicle fuel (e.g., gasoline) and special fuel (e.g., diesel) to 1%.

**Current Law** Under current law, persons who manufacture motor vehicle fuel and special fuel are subject to the manufacturing B&O tax at the general manufacturing rate of 0.484%. Receipts from the tax are deposited to the General Fund.

**Revenue Impact** General Fund Impacts (\$ millions):

# of Impacted Taxpayers	FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
6	\$ -	\$ 37.5	\$ 37.5	\$ 42.6	\$ 44.1	\$ 86.7

Notes:

- Estimates assume a July 1, 2016 effective date, representing 11 months of collections for FY 2017.
- Estimates reflect the November 2015 Economic & Revenue Forecast Council revenue forecast.

**Expenditure Impact**

FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
\$ 25,400	\$ -	\$ 25,400	\$ -	\$ -	\$ -