



HOUSE BILL 259: 2023 Appropriations Act, Sec. 42.22: Clarification of Motor Fuel Tax Formula

2023-2024 General Assembly

Committee:		Date:	November 29, 2023
Introduced by:		Prepared by:	Trina Griffin Staff Attorney
Analysis of:	Sec. 42.22 of S.L. 2023-134		

OVERVIEW: Section 42.22 of S.L. 2023-134 clarifies the motor fuel tax formula so that the statute reflects the practice by the Department of Revenue of using data from the November reports rather than the October reports as specified in the statute.

This section is effective retroactively to January 1, 2017.

CURRENT LAW & BILL ANALYSIS: The motor fuel tax rate is calculated every year by the Department of Revenue using a statutory formula and becomes effective on January 1 of each calendar year for that year. The formula is a combination of population growth and an inflationary adjustment based on the Consumer Price Index for energy contained in the detailed report released in the October prior to the applicable calendar year by the Bureau of Labor Statistics of the United States Department of Labor. Since 2017, the Department of Revenue has used the report released in November rather than October.

This section changes the statutory formula statute so that it reflects the actual practice. The provision is retroactive to 2017, but it does not result in any substantive change; it simply aligns the statute with how the calculation has been done since that time.

EFFECTIVE DATE: This section is effective retroactively to January 1, 2017.

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