

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson David Corbin at 5:15 p.m. on May 4, 2002, at the rail on the third floor of the Capitol.

All members were present except:

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes Office

Conferees appearing before the committee: None

Others attending: Not recorded

The meeting was called to discuss a floor amendment to **HB 2785** proposed by Senator Donovan with regard to financing provisions relative to the comprehensive transportation program enacted in 1999. The amendment would increase motor fuels taxes and motor vehicle registration taxes, effective June 1, 2002. (Attachment 1) After the amendment passed the Senate, it was determined that **HB 2785** was not an appropriate vehicle for the amendment.

Senator Allen moved to strike the original contents of **HB 3011** and insert the floor amendment to increase the motor fuels taxes and motor vehicle registration taxes, seconded by Senator Donovan. The motion carried.

The meeting was adjourned at 5:17 p.m.

Supp Note on HB 3011 as Amended by Senate A&T

Brief

HB 3011, as amended, would make a number of changes in tax and financing provisions relative to the comprehensive transportation program enacted in 1999.

Motor Fuels Tax Increase

The gasoline and LP-gas motor fuels tax rate would be increased an additional 3 cents per gallon, effective June 1, 2002, and a fourth cent which had been scheduled to be implemented on July 1, 2003, would be accelerated to June 1, 2002 date. The special (diesel) fuels tax rate would be increased by 1 cent on June 1, 2002, and a second cent which had been scheduled to be implemented on July 1, 2003, would be accelerated to the June 1, 2002 date. Various fees charged for special LP-gas permit users also would be increased by complementary amounts. The motor fuels tax rates on June 1, 2002, would be as follows: gasoline, increased from 21 to 25 cents per gallon; the special fuels tax would be increased from 23 to 25 cents per gallon; and the LP-gas tax would be increased from 20 to 24 cents per gallon.

Motor Vehicle Registration Tax Increase

Motor vehicle registration taxes would be increased for passenger automobiles and pickup trucks by \$5; and for various trucks by amounts ranging from \$2 to \$10, effective July 1, 2002.

Background

The original bill dealt with sales tax authority for Anderson County. The Senate Committee of the Whole had previously amended that provision into HB 2828.

The Senate Assessment and Taxation Committee on May 4 struck the bill's original provisions and inserted the motor fuels and motor vehicle registration tax increases.

Based on the latest information available from the Department of Transportation, the bill would be expected to increase receipts by the following amounts:

| | <u>Motor Fuels Tax Provisions</u> | <u>M Veh Reg Fee increases</u> | <u>Total</u> |
|-----------|---|--|--------------|
| FY 2003 | \$63.841 | \$11.565 | \$75.406 |
| FY 2004 | \$47.948 | \$11.739 | \$59.687 |
| FY 2005 | \$46.836 | \$11.913 | \$58.749 |
| FY 2006 | \$47.246 | \$12.086 | \$59.332 |
| FY 2007 | \$47.654 | \$12.260 | \$59.914 |
| FY 2008 | \$48.065 | \$12.434 | \$60.499 |
| FY 2009 | \$48.476 | \$12.608 | \$61.084 |
| thru 2009 | \$350.066 | \$84.605 | \$434.671 |

*Senate Assessment & Taxation
5-4-02
Attachment 1*