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HOUSE BILL NO. 345

Offered January 8, 2014

Prefiled January 2, 2014

A BILL to amend and reenact § 58.1-2249 of the Code of Virginia, relating to motor fuels tax on alternative fuels.

Patron—Taylor

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-2249 of the Code of Virginia is amended and reenacted as follows:****§ 58.1-2249. Tax on alternative fuel.**

A. There is hereby levied a tax at the rate levied on gasoline and gasohol on liquid alternative fuel used to operate a highway vehicle by means of a vehicle supply tank that stores fuel only for the purpose of supplying fuel to operate the vehicle. There is hereby levied a tax at a rate equivalent to that levied on gasoline and gasohol on all other alternative fuel used to operate a highway vehicle at the rate of 3.5 percent of the average wholesale cost of the amount of the alternative fuel required to produce the energy content of a gallon of unleaded gasoline, for each such amount of alternative fuel. The Commissioner shall determine the equivalent rate amount of the tax applicable to such other alternative fuels.

B. (Contingent expiration date) In addition to any tax imposed by this article, there is hereby levied an annual license tax of \$64 per vehicle on each highway vehicle registered in Virginia that is an electric motor vehicle, a hybrid electric motor vehicle, or an alternative fuel vehicle. However, no license tax shall be levied on any vehicle that (i) is subject to the tax on fuels levied pursuant to subsection A, (ii) is subject to the federal excise tax levied under § 4041 of the Internal Revenue Code, (iii) is a moped as defined in § 46.2-100, or (iv) is registered under the International Registration Plan. If such a highway vehicle is registered for a period other than one year as provided under § 46.2-646, the license tax shall be multiplied by the number of years or fraction thereof that the vehicle will be registered. The revenues generated by this subsection shall be deposited in the Highway Maintenance and Operating Fund.

B. (Contingent effective date) In addition to any tax imposed by this article, there is hereby levied an annual license tax of \$50 per vehicle on each highway vehicle registered in Virginia that is an electric motor vehicle. If such a highway vehicle is registered for a period other than one year as provided under § 46.2-646, the license tax shall be multiplied by the number of years or fraction thereof that the vehicle will be registered.

2. That § 58.1-2249 of the Code of Virginia is amended and reenacted as follows:**§ 58.1-2249. Tax on alternative fuel.**

A. There is hereby levied a tax at the rate levied on gasoline and gasohol on liquid alternative fuel used to operate a highway vehicle by means of a vehicle supply tank that stores fuel only for the purpose of supplying fuel to operate the vehicle. There is hereby levied a tax at a rate equivalent to that levied on gasoline and gasohol on all other alternative fuel used to operate a highway vehicle at the rate of 5.1 percent of the average wholesale cost of the amount of the alternative fuel required to equal the energy content of a gallon of unleaded gasoline, for each such amount of alternative fuel. The Commissioner shall determine the equivalent rate amount of the tax applicable to such other alternative fuels.

B. (Contingent expiration date) In addition to any tax imposed by this article, there is hereby levied an annual license tax of \$64 per vehicle on each highway vehicle registered in Virginia that is an electric motor vehicle, a hybrid electric motor vehicle, or an alternative fuel vehicle. However, no license tax shall be levied on any vehicle that (i) is subject to the tax on fuels levied pursuant to subsection A, (ii) is subject to the federal excise tax levied under § 4041 of the Internal Revenue Code, (iii) is a moped as defined in § 46.2-100, or (iv) is registered under the International Registration Plan. If such a highway vehicle is registered for a period other than one year as provided under § 46.2-646, the license tax shall be multiplied by the number of years or fraction thereof that the vehicle will be registered. The revenues generated by this subsection shall be deposited in the Highway Maintenance and Operating Fund.

B. (Contingent effective date) In addition to any tax imposed by this article, there is hereby levied an annual license tax of \$50 per vehicle on each highway vehicle registered in Virginia that is an electric motor vehicle. If such a highway vehicle is registered for a period other than one year as provided under

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59 § 46.2-646, the license tax shall be multiplied by the number of years or fraction thereof that the vehicle
60 will be registered.

61 **3. That the first enactment shall expire and the second enactment shall become effective on**
62 **January 1, 2015, if the United States Congress has not enacted legislation granting the**
63 **Commonwealth the authority to compel the remote sellers to collect state and local retail sales and**
64 **use tax for sales made in the Commonwealth by such date.**