

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: HB2285

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: May

3. Committee: Finance

4. Title: Alternative fuels taxes.

5. Summary: This bill establishes, beginning January 1, 2014, alternative fuels tax rates for biodiesel fuel, liquefied natural gas, liquefied petroleum gas, methanol, compressed natural gas, hydrogen, and electricity used in operating a highway vehicle.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Unknown. Preliminary. See Item 8.

8. Fiscal Implications: Data are not available to determine the revenue impact of this bill. Currently, alternative fuels are grouped together and there are no segregations between the different types. There is no quantitative data on the following types of energies used to run an engine: biodiesel fuel, liquefied natural gas, liquefied petroleum gas, methanol, compressed natural gas, hydrogen, and kilowatt hours of electricity provided by an electric vehicle charging service. However, based on the data that are available, the revenue impact is expected to be minimal.

Currently, most alternative fuels (a combustible gas, liquid, or other energy source that can be used to generate power to operate a highway vehicle that is neither a motor fuel nor electricity used to recharge an electric motor vehicle) are taxed at 17.5 cents per gallon. In FY 2012, the motor fuels excise tax was imposed on 532,197 gallons of alternative fuels, resulting in tax collections of approximately \$93,000.

As of August 2012, there were 918 electric cars, 3,366 compressed natural gas cars, and 1,476 other alternative fuels cars registered in Virginia. These numbers are not expected to grow significantly over the forecast horizon.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/23/13

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c: Secretary of Transportation