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HOUSE BILL NO. 6001

Offered April 4, 2022

A BILL to amend and reenact § 58.1-2217 of the Code of Virginia, relating to motor fuel tax; rate of taxation; emergency.

Patrons—Durant, Scott, P.A., Anderson, Brewer, Cherry, Fowler, Gilbert, Greenhalgh, Head, Hodges, Kilgore, LaRock, Marshall, McGuire, McNamara, O'Quinn, Ransone, Walker, Wiley, Wright and Wyatt; Senators: McDougle, Reeves, Stanley, Stuart and Suetterlein

Introduced at the request of the Governor

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-2217 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-2217. Taxes levied; rate.

A. (For contingent expiration date, see Acts 2020, cc. 1230 and 1275) There is hereby levied an excise tax on gasoline and gasohol as follows:

1. On and after July 1, 2020, but before July 1, 2021, the rate shall be 21.2 cents per gallon;

2. On and after July 1, 2021, but before July 1, 2022, the rate shall be 26.2 cents per gallon; and

3. On and after July 1, 2022, the rate shall be adjusted annually based on the greater of (i) the change, *not to exceed two percent*, in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor for the previous year or (ii) zero.

A. (For contingent effective date, see Acts 2020, cc. 1230 and 1275) There is hereby levied an excise tax on gasoline and gasohol at a rate of 16.2 cents per gallon.

B. (For contingent expiration date, see Acts 2020, cc. 1230 and 1275) There is hereby levied an excise tax on diesel fuel as follows:

1. On and after July 1, 2020, but before July 1, 2021, the rate shall be 20.2 cents per gallon;

2. On and after July 1, 2021, but before July 1, 2022, the rate shall be 27 cents per gallon; and

3. On and after July 1, 2022, the rate shall be adjusted annually based on the greater of (i) the change, *not to exceed two percent*, in the United States Average Consumer Price Index for all items, all urban consumers (CPI-U), as published by the Bureau of Labor Statistics for the U.S. Department of Labor for the previous year or (ii) zero.

B. (For contingent effective date, see Acts 2020, cc. 1230 and 1275) There is hereby levied an excise tax on diesel fuel at a rate of 20.2 cents per gallon.

C. Blended fuel that contains gasoline shall be taxed at the rate levied on gasoline. Blended fuel that contains diesel fuel shall be taxed at the rate levied on diesel fuel.

D. There is hereby levied a tax at the rate of five cents per gallon on aviation gasoline. Any person, whether or not licensed under this chapter, who uses, acquires for use, sells or delivers for use in highway vehicles any aviation gasoline shall be liable for the tax at the rate levied on gasoline and gasohol, along with any penalties and interest that may accrue.

E. There is hereby levied a tax at the rate of five cents per gallon on aviation jet fuel purchased or acquired for use by a user of aviation fuel other than an aviation consumer. There is hereby levied a tax at the rate of five cents per gallon upon the first 100,000 gallons of aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by any aviation consumer in any fiscal year. There is hereby levied a tax at the rate of one-half cent per gallon on all aviation jet fuel, excluding bonded aviation jet fuel, purchased or acquired for use by an aviation consumer in excess of 100,000 gallons in any fiscal year. Any person, whether or not licensed under this chapter, who uses, acquires for use, sells or delivers for use in highway vehicles any aviation jet fuel taxable under this chapter shall be liable for the tax imposed at the rate levied on diesel fuel, along with any penalties and interest that may accrue.

F. In accordance with § 62.1-44.34:13, a storage tank fee is imposed on each gallon of gasoline, aviation gasoline, diesel fuel (including dyed diesel fuel), blended fuel, and heating oil sold and delivered or used in the Commonwealth.

2. That notwithstanding the provisions of § 58.1-2217 of the Code of Virginia, as amended by this act, the tax rate imposed pursuant to subsections A and B, as they are currently effective, of § 58.1-2217 of the Code of Virginia, as amended by this act, shall be reduced by (i) 100 percent for the period beginning May 1, 2022, through July 31, 2022; (ii) 50 percent for the period beginning August 1, 2022, through August 31, 2022; and (iii) 25 percent for the period beginning

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September 1, 2022, through September 30, 2022.
3. That an emergency exists and this act is in force from its passage.