

Fiscal Estimate Narratives

DOT 9/22/2009

LRB Number	09-3254/1	Introduction Number	SB-279	Estimate Type	Original
Description Financial assistance related to bioenergy feedstocks, biorefineries, and conversion to biomass energy; the definition of the term agricultural use for the purpose of determining the assessed value of a parcel of land; requiring a strategic bioenergy feedstock assessment; creation of a bioenergy council; the agricultural and forestry diversification programs; biofuels training assessment; a study of regulatory burdens relating to biofuel production facilities; marketing orders and agreements for bioenergy feedstocks; exempting personal renewable fuel production and use from the motor vehicle fuel tax, the petroleum inspection fee, and business tax registration requirements; an income and franchise tax credit for installing or retrofitting pumps that mix motor vehicle fuels from separate storage tanks; offering gasoline that is not blended with ethanol to motor fuel dealers; state renewable motor vehicle fuels sales goals; required sales of renewable motor vehicle fuels; use of petroleum-based transportation fuels by state vehicles; use of alternative fuels in flex fuel vehicles owned by the state; use of public alternative fuel refueling facilities; duties of the Office of Energy Independence; granting rule-making authority; requiring the exercise of rule-making authority; making appropriations; and providing penalties					

Assumptions Used in Arriving at Fiscal Estimate

This bill would exempt the first 1,000 gallons of renewable fuel produced by a person each year, that the person uses in his or her personal vehicle, from the motor vehicle fuel excise tax, the petroleum inspection fee, and petroleum inspection requirements not required by federal law.

Assuming an individual produced 1,000 of renewable fuel, at the current motor fuel excise tax rate of \$0.309 cents per gallon each qualified individual would be eligible for an exemption of \$309.00 per year. Exemption for the petroleum inspection fee (\$0.02) would result in an exemption totaling \$20.00 per year.

If 250 individuals were initially eligible for the maximum annual \$309.00 motor fuel excise tax exemption and the \$20.00 PECFA fee exemption, the loss to the state transportation fund would be \$77,250 and \$5,000 to the PECFA fund.

Long-Range Fiscal Implications