

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

House Bill 5392

FISCAL
NOTE

By Delegate Howell and Kump

[Introduced January 31, 2024; Referred to the
Committee on Finance]

1 A BILL to repeal §11-14C-1, §11-14C-2, §11-14C-3, §11-14C-4, §11-14C-5, §11-14C-6, §11-14C-
2 6a, §11-14C-7, §11-14C-8, §11-14C-9, §11-14C-9a, §11-14C-10, §11-14C-11, §11-14C-
3 12, §11-14C-13, §11-14C-14, §11-14C-15, §11-14C-16, §11-14C-17, §11-14C-18, §11-
4 14C-19, §11-14C-20, §11-14C-21, §11-14C-22, §11-14C-23, §11-14C-24, §11-14C-25,
5 §11-14C-26, §11-14C-27, §11-14C-28, §11-14C-29, §11-14C-30, §11-14C-31, §11-14C-
6 32, §11-14C-33, §11-14C-34, §11-14C-35, §11-14C-36, §11-14C-37, §11-14C-38, §11-
7 14C-39, §11-14C-40, §11-14C-41, §11-14C-42, §11-14C-43, §11-14C-44, §11-14C-45,
8 §11-14C-46, §11-14C-47, and §11-14C-48 of the Code of West Virginia, 1931, as
9 amended; and to amend said code by adding thereto a new article, designated §11-14D-1,
10 §11-14D-2, and §11-14D-3, all relating to the elimination of the motor fuel excise tax;
11 providing legislative findings in support of the elimination of the motor fuel excise tax;
12 establishing the elimination of the motor fuel excise tax and implementing an equivalent
13 increase in sales tax collected; and providing for an effective date for the article.

Be it enacted by the Legislature of West Virginia:

ARTICLE 14C. MOTOR FUEL EXCISE TAX.

PART 1. GENERAL PROVISIONS.

§11-14C-1. Short title; nature of tax.

1 [Repealed].

PART I. GENERAL PROVISIONS.

§11-14C-2. Definitions.

1 [Repealed].

§11-14C-3. Rules; forms.

1 [Repealed].

§11-14C-4. Exchange of information; criminal penalty for unauthorized disclosure.

1 [Repealed].

§11-14C-5. Taxes levied; rate.

1 [Repealed].

§11-14C-6. Point of imposition of motor fuels tax.

1 [Repealed].

§11-14C-6a. Point of imposition of motor fuels tax on alternative fuel.

1 [Repealed].

§11-14C-7. Tax on unaccounted-for motor fuel losses; liability.

1 [Repealed].

§11-14C-8. Backup tax; liability.

1 [Repealed].

§11-14C-9. Exemptions from tax; claiming refunds of tax.

1 [Repealed].

§11-14C-9a. Additional exemptions from tax.

1 [Repealed].

PART 3. MOTOR FUEL LICENSING.

§11-14C-10. Persons required to be licensed.

1 [Repealed].

§11-14C-11. License application procedure.

1 [Repealed].

§11-14C-12. Permissive supplier requirements on out-of-state removals.

1 [Repealed].

§11-14C-13. Bond requirements.

1 [Repealed].

§11-14C-14. Grounds for denial of license.

1 [Repealed].

§11-14C-15. Issuance of license.

1 [Repealed].

§11-14C-16. Notice of discontinuance, sale or transfer of business.

1 [Repealed].

§11-14C-17. License cancellation.

1 [Repealed].

§11-14C-18. Records and lists of license applicants and licensees.

1 [Repealed].

PART 4. PAYMENT AND REPORTING OF TAX ON MOTOR FUEL.

§11-14C-19. When tax return and payment are due.

1 [Repealed].

§11-14C-20. Remittance of tax to supplier or permissive supplier.

1 [Repealed].

§11-14C-21. Notice of cancellation or reissuance of licenses; effect of notice.

1 [Repealed].

§11-14C-22. Information required on return filed by supplier or permissive supplier.

1 [Repealed].

§11-14C-23. Deductions and discounts allowed a supplier and a permissive supplier when filing a return.

1 [Repealed].

§11-14C-24. Duties of supplier or permissive supplier as trustee.

1 [Repealed].

§11-14C-25. Returns and discounts of importers.

1 [Repealed].

§11-14C-26. Informational returns of terminal operators.

1 [Repealed].

§11-14C-27. Informational returns of motor fuel transporters.

1 [Repealed].

§11-14C-28. Exports.

1 [Repealed].

§11-14C-29. Identifying information required on return.

1 [Repealed].

§11-14C-30. Refund of taxes erroneously collected, etc.; refund for gallonage exported or lost through casualty or evaporation; change of rate; petition for refund.

1 [Repealed].

§11-14C-31. Claiming refunds.

1 [Repealed].

§11-14C-32. Payment of refund.

1 [Repealed].

PART 6. ENFORCEMENT AND ADMINISTRATION.

§11-14C-33. General procedure and administration; crimes and penalties.

1 [Repealed].

§11-14C-34. Shipping documents; transportation of motor fuel; civil penalty.

1 [Repealed].

§11-14C-35. Import confirmation number; civil penalty.

1 [Repealed].

§11-14C-36. Improper sale or use of untaxed motor fuel; civil penalty.

1 [Repealed].

§11-14C-37. Refusal to allow inspection or taking of fuel sample; civil penalty.

1 [Repealed].

§11-14C-38. Engaging in business without a license; civil penalty.

1 [Repealed].

§11-14C-39. Preventing a person from obtaining a license; civil penalty.

1 [Repealed].

§11-14C-40. Filing a false return; failure to file return; civil penalty.

1 [Repealed].

§11-14C-41. Willful commission of prohibited acts; criminal penalties.

1 [Repealed].

§11-14C-42. Unlawful importing, transportation, delivery, storage or sale of motor fuel; sale to enforce assessment.

1 [Repealed].

§11-14C-43. Record-keeping requirements.

1 [Repealed].

§11-14C-44. Inspection of records.

1 [Repealed].

§11-14C-45. Authority to inspect.

1 [Repealed].

§11-14C-46. Marking requirements for dyed diesel fuel storage facilities.

1 [Repealed].

§11-14C-47. Disposition of tax collected; dedicated receipts; reports.

1 [Repealed].

§11-14C-48. Motor Fuel Excise Tax Shortfall State Road Fund support payment.

1 [Repealed].

ARTICLE 14D. MOTOR FUEL EXCISE TAX ELIMINATION.

§11-14D-1. Findings.

1 In an effort to attract more people to West Virginia, through tourism, job creation,
2 recreation, or otherwise, the West Virginia Legislature finds that drivers who pay less in gasoline,
3 diesel, and fuel prices as a whole will be more inclined to visit the state because of these reduced
4 fuel prices. By reducing the state gasoline tax and state diesel tax to zero, more individuals will

5 want to come to West Virginia to purchase fuel. This elimination of the motor fuel excise tax can be
 6 done in a revenue neutral fashion with an equivalent increase in the state sales tax by the
 7 percentage of the current motor fuel excise tax rate. When gas prices are higher, motorists
 8 generally drive less. A reduction of the motor fuel excise tax will get drivers back on the road in
 9 West Virginia. Rising inflation also presents an opportunity to collect revenue more easily, and,
 10 sales taxes generally keep up with inflation better than do excise taxes, such as the motor fuel
 11 excise tax currently in place. This reduction in the motor vehicle excise tax rate will help working
 12 class families in West Virginia to pay less for fuel and would mean more money in their pockets.
 13 Further, this elimination of the motor fuel excise tax will allow those who drive exclusively electric
 14 cars to pay their fair share in taxes through the subsequent increase in the sales tax. Finally, the
 15 elimination of the motor fuel excise tax will not affect airline fuel taxation otherwise collected.

§11-14D-2. Elimination of tax; revenue neutrality.

1 There is presently levied on all motor fuel an excise tax composed of a flat rate equal to
 2 20.50 cents per invoiced gallon of regular gasoline and diesel fuel, and on alternative fuel, on each
 3 gallon equivalent, plus a variable component comprised of five percent of the average wholesale
 4 price of the motor fuel: *Provided*, That the tax per gallon may not be less than 15.20 cents per
 5 gallon of motor fuel; and on alternative fuel, either the tax imposed by §11-15-18b of this code or
 6 the tax imposed under §11-15A-13a of this code, as applicable. The variable component of the tax
 7 on alternative fuel is equal to five percent of the average wholesale price of the alternative fuel.

8 Upon passage of this article, the motor fuel excise tax shall be reduced to zero, and the
 9 sales tax shall be increased to seven and eight-tenths percent. One and eight-tenths percent of
 10 the amount of the sales tax rate shall be dedicated to the state road fund, and the remaining six
 11 percent shall be sent where otherwise originally provided for in this code. This reduction of the
 12 motor fuel excise tax does not apply to airline fuel that is collected and provided for otherwise in
 13 this _____ code.

§11-14D-3. Effective date.

1 The provisions of this article shall take effect July 1, 2024.

NOTE: The purpose of this bill is to eliminate the motor fuel excise tax and to replace any income from the tax with an equivalent increase in the state sales tax.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.