

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 2233

PRINTER NO. 3276

AMOUNT

No Fiscal Impact

FUND

Motor License Fund

DATE INTRODUCED

January 17, 2020

PRIME SPONSOR

Representative Greiner

DESCRIPTION AND PURPOSE OF BILL

House Bill 2233 amends Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in liquid fuels and fuels tax, providing for political subdivisions and volunteer services to enter into agreement for the commingling of tax-free motor fuels.

This legislation amends Chapter 90 of Title 75 by adding a new section 9004.1 (relating to political subdivision and volunteer service use of tax-free motor fuels) to allow political subdivisions and volunteer services (exempt entities) to share a bulk storage tank for tax-free motor fuels (fuel) under the following limitations:

- May not be a distributor;
- May only use the fuel for its own official purposes;
- May not sell or deliver the fuel to any other person or exempt entity;
- May only purchase and take delivery of the fuel from a distributor; and
- Shall cooperate with the Pennsylvania Department of Revenue (DOR) during an investigation or audit related to the use, sale or delivery of the fuel.

House Bill 2233 provides for the following penalties for an exempt entity that improperly uses, sells or delivers the fuel:

- Pay the tax imposed under section 9004(b) (relating to imposition of tax, exemptions and deductions) of Title 75;
- Pay an additional penalty equal to 100% of the tax imposed under section 9004(b) (relating to imposition of tax, exemptions and deductions) of Title 75; and
- Be subject to any other penalty, summary offense or misdemeanor that may be imposed upon distributors who violate the provisions of Chapter 90 of Title 75.

An exempt entity may withdraw tax-free motor fuels from a bulk storage tank containing only commingled, tax-free motor fuels under certain conditions. Additionally, volunteer services may use tax-free motor fuels transferred from a political subdivision under certain conditions.

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This act shall take effect immediately.

FISCAL IMPACT:

Enactment of this legislation will have no fiscal impact on Commonwealth funds. Political subdivisions and volunteer service organizations may incur modest savings from a reduction in the number of storage tanks being utilized and maintained.