

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	HB 1950
Version:	INT
Request Number:	5444
Author:	Rep. Dustin Roberts
Date:	2/10/2019
Impact:	Tax Commission:
	Revenue Increase
	FY-20: \$540,000
	FY-21: \$1,080,060

Research Analysis

HB1950, as introduced, creates a motor fuels tax fee for electric-drive, plug-in hybrid drive and hybrid-drive motors vehicles at \$150, \$60 and \$30, respectively, beginning January 1, 2020.

The measure also repeals 47 O.S. §1132.7, which previously established motor fuel tax fees for electric-drive and hybrid drive vehicles and was ruled unconstitutional by the Oklahoma Supreme Court in *Sierra Club v. State ex rel. Oklahoma Tax Commission*.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

Electric-Drive Motor Vehicles

Analysis:

Oklahoma Tax Commission records indicate that 856 low speed and 210 medium speed electric vehicles are currently registered in Oklahoma. Assuming similar vehicle registrations in 2020 yields a total of 1,066 vehicles subject to the \$150.00 motor fuel tax fee. Multiplying 1,066 X \$150.00 results in additional estimated motor vehicle revenues of \$159,900.

According to a 2015 study by the U.S. Department of Energy Office of Energy Efficiency & Renewable Energy, approximately 806 plug-in electric vehicles (PEVs) were owned in Oklahoma. Assuming similar numbers of PEVs for 2020, results in an estimated total of 1,872 vehicles that would be subject to the \$150.00 registration fee. Multiplying 806 X \$150.00 results in additional estimated motor vehicle revenues of \$120,900.

Plug-In Hybrid-Drive and Hybrid Drive Motor Vehicles

No data is available to determine how many “plug-in hybrid-drive motor vehicles” as defined by this measure are currently registered in Oklahoma. However, it is believed to be minimal.

Analysis:

According to a 2015 study by the U.S. Department of Energy Office of Energy Efficiency & Renewable Energy, approximately 26,642 hybrid vehicles are owned in Oklahoma and it is believed that all of these vehicles would be subject to the \$30.00 registration fee. Assuming similar numbers of hybrid vehicles for 2020 results in 26,642 hybrid vehicles that will be subject to the proposed \$30.00 fee, resulting in an estimated \$799,260 in additional motor vehicle revenues.

Net Revenue Impact

The measure proposes an effective date of November 1, 2019 with a January 1, 2020 operative date for fee imposition. The combined estimated increase in motor vehicle collections is \$540,000 for FY 20 and \$1,080,060 for FY 21.

Administrative Costs:

Administrative costs for FY 20 are unknown at this time. Currently, no method exists to identify plug-in electric vehicles or hybrid drive vehicles in the Oklahoma Tax Commission motor vehicle database.

Prepared By: Mark Tygret

Other Considerations

None.