

HB 2072 -- MOTOR FUEL TAX EXEMPTION

SPONSOR: Mayhew

This bill creates the "Motor Fuel Tax Fund of 2021", into which the refundable revenue collected under subsection 3 of Section 142.803, RSMo will be deposited. Any money in the Fund not refunded to a motor fuel purchaser within the required time will remain in the Fund and be subject to appropriation by the General Assembly for road and bridge projects for state-owned infrastructure (Section 142.803, RSMo).

Beginning October 1, 2024, this bill authorizes a taxpayer to donate the motor fuel tax refund to a tax-exempt nonprofit entity by providing the entity with all required documentation and a signed statement indicating that the nonprofit is entitled to the taxpayer's refund. The nonprofit entity must submit the documentation and statement, along with proof of its tax-exempt status, to the Director of Revenue. The taxpayer is then entitled to subtract from the taxpayer's Missouri adjusted gross income the amount of the refund donated to the nonprofit (Sections 142.815 and 142.824).

Currently, motor fuel is exempt from fuel tax, and an exemption and refund may be claimed by a taxpayer if the tax has been paid and no refund has been previously issued. These exemptions and refunds are currently issued on a fiscal year basis.

Beginning January 1, 2025, exemptions and refunds shall be based on the tax year. To claim an exemption and refund, a person may elect to proceed in one of the following ways:

(1) For a receipt-based exemption and refund, a person shall present a statement containing a written verification that the claim is made under penalty of perjury and that states the total fuel tax paid in the applicable tax year for each vehicle for which the exemption and refund is claimed. The claim statement may be submitted electronically and shall contain information specified in the bill; or

(2) For a standard refund, at the time a person files his or her Missouri income tax return, a person may select to claim the exemption and refund applied as an immediate refund or applied as a credit against the person's Missouri income tax liability. A person claiming a standard refund shall not be entitled to claim a receipt-based refund for the same tax year.

The standard refund shall be allocated as follows:

- (1) For the 2024 tax year, \$30;
- (2) For the 2025 tax year, \$45;
- (3) For the 2026 tax year, \$60;
- (4) For all tax years beginning on or after January 1, 2027, \$75.

The Department of Revenue shall provide a form for taxpayers to make clear their election of either a receipt-based exemption and refund or a standard refund. The form shall be filed with the taxpayer's Missouri income tax return and require that certain information be disclosed, as specified in the bill (Section 142.822).

The exemption and refund shall be paid out of the proceeds of the additional tax under Subsection 3 of Section 142.803. If the amount of refunds claimed in a tax year exceeds the tax collected for the tax year, refunds shall be allowed based on the order in which they are claimed (Section 142.822).

Currently, the motor fuel tax rebate under Section 142.822 is eligible only for vehicles with a gross weight of 26,000 pounds or less.

This bill extends the eligibility to motor fuel delivered into a motor vehicle with a gross weight over 26,000 pounds if the motor vehicle is owned by a corporation licensed in Missouri with its primary headquarters in this state, or owned by a sole proprietor whose home office is located in Missouri; provided that the corporation or sole proprietor submits documentation that any exemption and refund claimed is based solely on fuel delivered into a motor vehicle while it was operating in Missouri. If the vehicle was operated in multiple states, the submitted documentation must separate the fuel delivered while operating in Missouri and the other states (Section 142.822).

Currently, exemptions and refunds issued for any additional tax on motor fuel are based on a fiscal year. Beginning in fiscal year 2025, they will be based on the tax year.

This bill specifies that claims will be filed on or after January 15th but not later than April 15th after the close of the tax year for which the exemption and refund is claimed (Sections 142.822 and 142.824).

This bill is similar to HB 1366, HB 1370, HB 1354, HB 520, & HB 519 (2023).