

SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 262

AN ACT

To repeal section 142.803, RSMo, and to enact in lieu thereof two new sections relating to the taxation of motor fuels.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 142.803, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 142.803 and 142.822, to read as follows:

142.803. 1. A tax is levied and imposed on all motor fuel used or consumed in this state as follows:

(1) Motor fuel, seventeen cents per gallon;

(2) Alternative fuels, not subject to the decal fees as provided in section 142.869, with a power potential equivalent of motor fuel. In the event alternative fuel, which is not commonly sold or measured by the gallon, is used in motor vehicles on the highways of this state, the director is authorized to assess and collect a tax upon such alternative fuel measured by the nearest power potential equivalent to that of one gallon of regular grade gasoline. The determination by the director of the power potential equivalent of such alternative fuel shall be prima facie correct;

(3) Aviation fuel used in propelling aircraft with reciprocating engines, nine cents per gallon as levied and imposed by section 155.080 to be collected as required under this chapter;

(4) Compressed natural gas fuel, five cents per gasoline gallon equivalent until December 31, 2019, eleven cents per gasoline gallon equivalent from January 1, 2020,

until December 31, 2024, and then seventeen cents per gasoline gallon equivalent thereafter. The gasoline gallon equivalent and method of sale for compressed natural gas shall be as published by the National Institute of Standards and Technology in Handbooks 44 and 130, and supplements thereto or revisions thereof. In the absence of such standard or agreement, the gasoline gallon equivalent and method of sale for compressed natural gas shall be equal to five and sixty-six-hundredths pounds of compressed natural gas. All applicable provisions contained in this chapter governing administration, collections, and enforcement of the state motor fuel tax shall apply to the tax imposed on compressed natural gas, including but not limited to licensing, reporting, penalties, and interest;

(5) Liquefied natural gas fuel, five cents per diesel gallon equivalent until December 31, 2019, eleven cents per diesel gallon equivalent from January 1, 2020, until December 31, 2024, and then seventeen cents per diesel gallon equivalent thereafter. The diesel gallon equivalent and method of sale for liquefied natural gas shall be as published by the National Institute of Standards and Technology in Handbooks 44 and 130, and supplements thereto or revisions thereof. In the absence of such standard or agreement, the diesel gallon equivalent and method of sale for liquefied natural gas shall be equal to six and six-hundredths pounds of liquefied natural gas. All applicable provisions contained in this chapter governing administration, collections, and enforcement of the state motor fuel tax shall apply to the tax imposed on liquefied natural gas, including but not limited to licensing, reporting, penalties, and interest;

(6) Propane gas fuel, five cents per gallon until December 31, 2019, eleven cents per gallon from January 1,

2020, until December 31, 2024, and then seventeen cents per gallon thereafter. All applicable provisions contained in this chapter governing administration, collection, and enforcement of the state motor fuel tax shall apply to the tax imposed on propane gas including, but not limited to, licensing, reporting, penalties, and interest;

(7) If a natural gas, compressed natural gas, liquefied natural gas, electric, or propane connection is used for fueling motor vehicles and for another use, such as heating, the tax imposed by this section shall apply to the entire amount of natural gas, compressed natural gas, liquefied natural gas, electricity, or propane used unless an approved separate metering and accounting system is in place.

2. All taxes, surcharges and fees are imposed upon the ultimate consumer, but are to be precollected as described in this chapter, for the facility and convenience of the consumer. The levy and assessment on other persons as specified in this chapter shall be as agents of this state for the precollection of the tax.

3. In addition to any tax collected under subdivision (1) of subsection 1 of this section, the following tax is levied and imposed on all motor fuel used or consumed in this state, subject to the exemption on tax liability set forth in section 142.822: from January 1, 2022, to December 31, 2022, two and a half cents per gallon; from January 1, 2023, to December 31, 2023, five cents per gallon; from January 1, 2024, to December 31, 2024, seven and a half cents per gallon; from January 1, 2025, to December 31, 2025, ten cents per gallon; from January 1, 2026, to December 31, 2026, twelve and a half cents per gallon; and on and after January 1, 2027, fifteen cents per gallon.

142.822. 1. Motor fuel used for purposes of propelling motor vehicles on highways shall be exempt from the fuel tax collected under subsection 3 of section 142.803, and an exemption and refund may be claimed by the taxpayer if the tax has been paid and no refund has been previously issued, provided that the taxpayer applies for the exemption and refund as specified in this section. The exemption and refund shall be issued on a calendar year basis to each person who pays the fuel tax collected under subsection 3 of section 142.803 and who claims an exemption and refund in accordance with this section, and shall apply so that the fuel taxpayer has no liability for the tax collected in that calendar year under subsection 3 of section 142.803.

2. To claim an exemption and refund in accordance with this section, a person shall present to the director 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 calendar year for each vehicle for which the exemption and refund is claimed. The claim shall not be transferred or assigned, and shall be filed on or after January first, but not later than April fifteenth, following the year for which the exemption and refund is claimed. The claim statement shall be supported by the original sales slip, invoice, or other documentation of the precise number of gallons purchased and amount of fuel tax paid, as approved by the director, and shall at a minimum include the following information:

- (1) Date of sale;
- (2) Name and address of purchaser;
- (3) Name and address of seller;
- (4) Number of gallons purchased;

(5) Number of gallons purchased and charged Missouri fuel tax, as a separate item; and

(6) Marked paid by the seller.

3. The director may make any investigation necessary before issuing an exemption and refund under this section, and may investigate an exemption and refund under this section after it has been issued and within the time frame for making adjustments to the tax pursuant to this chapter.

4. Every person shall maintain and keep records for a period of three years to substantiate all claims for exemption and refund of the motor fuel tax, together with invoices, bills of lading, and other pertinent records and paper as may be required by the director for reasonable administration of this chapter.

5. If an exemption and refund is not issued within thirty days of an accurate and complete filing, as required by this chapter, the director shall pay interest at the rate provided in section 32.065 accruing after the expiration of the thirty-day period until the date the exemption and refund is issued.

6. The exemption and refund specified in this section shall be available only with regard to motor fuel purchased prior to the calendar year 2028. This section shall expire on April 16, 2028.