

1 SB277
2 218222-1
3 By Senator Stutts
4 RFD: Finance and Taxation Education
5 First Read: 01-MAR-22

SYNOPSIS: Under the Rebuild Alabama Act the additional motor fuel excise tax levied by that act is adjusted by an index rate every other year beginning on October 1, 2023.

This bill would remove the indexing provision of the additional motor fuel excise taxes established by the Rebuild Alabama Act.

A BILL
TO BE ENTITLED
AN ACT

Relating to motor fuel excise taxes; to remove provisions for the adjustment of motor fuel taxes; and to amend Section 40-17-370, Code of Alabama 1975.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-17-370, Code of Alabama 1975, is amended read as follows:

"§40-17-370.

1 "(a) Effective for tax periods beginning after
2 August 31, 2019, an additional excise tax of six cents (\$0.06)
3 is imposed on each net gallon of gasoline and diesel fuel.

4 "(b) Effective October 1, 2020, this additional
5 excise tax is increased by two cents (\$.02) to eight cents
6 (\$0.08) on each net gallon of gasoline and diesel fuel.

7 "(c) Effective October 1, 2021, this additional
8 excise tax is increased by two cents (\$.02) to ten cents
9 (\$0.10) on each net gallon of gasoline and diesel fuel.

10 "~~(d) Beginning October 1, 2023, and on July 1 of~~
11 ~~every other year thereafter, the excise tax rate provided in~~
12 ~~this section shall be adjusted by the percentage change in the~~
13 ~~yearly average of the National Highway Construction Cost Index~~
14 ~~(NHCCI) issued by the U. S. Federal Highway Administration~~
15 ~~(FHWA) for the most recent 12-month period ending December 31,~~
16 ~~compared to the base year average, which is the average for~~
17 ~~the 12-month period ending December 31, 2020 and rounded to~~
18 ~~the nearest whole cent. The maximum amount of increase or~~
19 ~~decrease in the excise tax rate shall not exceed \$.01 per net~~
20 ~~gallon of gasoline or diesel fuel and shall take effect every~~
21 ~~other year. The Department of Revenue shall notify each~~
22 ~~terminal supplier, position holder, licensed distributor, and~~
23 ~~importer of the tax rate adjustment applicable under this~~
24 ~~subsection on or before March 1.~~

25 "~~(e)~~ (d) This additional excise tax shall be levied,
26 administered, and collected in accordance with Article 12,
27 provided that the due date for payment and filing of returns

1 for all motor fuel taxes, including the additional amounts
2 levied in this article, shall be the 20th day of the month
3 following the month in which the tax accrues, except as
4 otherwise provided in Section 40-17-340 (d), and the bond
5 required under Section 40-17-335 (a) (1) shall not exceed three
6 million dollars (\$3,000,000). The net tax proceeds, after the
7 cost of collection and distribution to the Alabama Highway
8 Finance Corporation authorized by this article shall be
9 distributed to the state and to each county and municipality
10 for transportation infrastructure purposes in accordance with
11 this article."

12 Section 2. This act shall become effective on the
13 first day of the third month following its passage and
14 approval by the Governor, or its otherwise becoming law.