

SENATE BILL NO. 454

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR CARTER.

1731S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 142.803, 142.822, and 142.869, RSMo, and to enact in lieu thereof three new sections relating to transportation funding, with a referendum clause.

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

Section A. Sections 142.803, 142.822, and 142.869, RSMo,
2 are repealed and three new sections enacted in lieu thereof, to
3 be known as sections 142.803, 142.822, and 142.869, to read as
4 follows:

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

3 (1) Motor fuel, seventeen cents per gallon;

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

15 (3) Aviation fuel used in propelling aircraft with
16 reciprocating engines, nine cents per gallon as levied and

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 imposed by section 155.080 to be collected as required under
18 this chapter;

19 (4) Compressed natural gas fuel, five cents per
20 gasoline gallon equivalent until December 31, 2019, eleven
21 cents per gasoline gallon equivalent from January 1, 2020,
22 until December 31, 2024, and then seventeen cents per
23 gasoline gallon equivalent thereafter. The gasoline gallon
24 equivalent and method of sale for compressed natural gas
25 shall be as published by the National Institute of Standards
26 and Technology in Handbooks 44 and 130, and supplements
27 thereto or revisions thereof. In the absence of such
28 standard or agreement, the gasoline gallon equivalent and
29 method of sale for compressed natural gas shall be equal to
30 five and sixty-six-hundredths pounds of compressed natural
31 gas. All applicable provisions contained in this chapter
32 governing administration, collections, and enforcement of
33 the state motor fuel tax shall apply to the tax imposed on
34 compressed natural gas, including but not limited to
35 licensing, reporting, penalties, and interest;

36 (5) Liquefied natural gas fuel, five cents per diesel
37 gallon equivalent until December 31, 2019, eleven cents per
38 diesel gallon equivalent from January 1, 2020, until
39 December 31, 2024, and then seventeen cents per diesel
40 gallon equivalent thereafter. The diesel gallon equivalent
41 and method of sale for liquefied natural gas shall be as
42 published by the National Institute of Standards and
43 Technology in Handbooks 44 and 130, and supplements thereto
44 or revisions thereof. In the absence of such standard or
45 agreement, the diesel gallon equivalent and method of sale
46 for liquefied natural gas shall be equal to six and six-
47 hundredths pounds of liquefied natural gas. All applicable
48 provisions contained in this chapter governing

49 administration, collections, and enforcement of the state
50 motor fuel tax shall apply to the tax imposed on liquefied
51 natural gas, including but not limited to licensing,
52 reporting, penalties, and interest;

53 (6) Propane gas fuel, five cents per gallon until
54 December 31, 2019, eleven cents per gallon from January 1,
55 2020, until December 31, 2024, and then seventeen cents per
56 gallon thereafter. All applicable provisions contained in
57 this chapter governing administration, collection, and
58 enforcement of the state motor fuel tax shall apply to the
59 tax imposed on propane gas including, but not limited to,
60 licensing, reporting, penalties, and interest;

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

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

75 [3. In addition to any tax collected under subdivision
76 (1) of subsection 1 of this section, the following tax is
77 levied and imposed on all motor fuel used or consumed in
78 this state, subject to the exemption on tax liability set
79 forth in section 142.822: from October 1, 2021, to June 30,
80 2022, two and a half cents per gallon; from July 1, 2022, to

81 June 30, 2023, five cents per gallon; from July 1, 2023, to
82 June 30, 2024, seven and a half cents per gallon; from July
83 1, 2024, to June 30, 2025, ten cents per gallon; and on and
84 after July 1, 2025, twelve and a half cents per gallon.]

142.822. 1. Motor fuel used for purposes of
2 propelling motor vehicles on highways shall be exempt from
3 the fuel tax collected under subsection 3 of section
4 142.803, and an exemption and refund may be claimed by the
5 taxpayer if the tax has been paid and no refund has been
6 previously issued, provided that the taxpayer applies for
7 the exemption and refund as specified in this section. The
8 exemption and refund shall be issued on a fiscal year basis
9 to each person who pays the fuel tax collected under
10 subsection 3 of section 142.803 and who claims an exemption
11 and refund in accordance with this section, and shall apply
12 so that the fuel taxpayer has no liability for the tax
13 collected in that fiscal year under subsection 3 of section
14 142.803.

15 2. To claim an exemption and refund in accordance with
16 this section, a person shall present to the director a
17 statement containing a written verification that the claim
18 is made under penalty of perjury and that states the total
19 fuel tax paid in the applicable fiscal year for each vehicle
20 for which the exemption and refund is claimed. The claim
21 shall not be transferred or assigned, and shall be filed on
22 or after July first, but not later than September thirtieth,
23 following the fiscal year for which the exemption and refund
24 is claimed. The claim statement may be submitted
25 electronically, and shall at a minimum include the following
26 information:

27 (1) Vehicle identification number of the motor vehicle
28 into which the motor fuel was delivered;

- 29 (2) Date of sale;
- 30 (3) Name and address of purchaser;
- 31 (4) Name and address of seller;
- 32 (5) Number of gallons purchased; and
- 33 (6) Number of gallons purchased and charged Missouri
34 fuel tax, as a separate item.

35 3. Every person shall maintain and keep records
36 supporting the claim statement filed with the department of
37 revenue for a period of three years to substantiate all
38 claims for exemption and refund of the motor fuel tax,
39 together with invoices, original sales receipts marked paid
40 by the seller, bills of lading, and other pertinent records
41 and paper as may be required by the director for reasonable
42 administration of this chapter.

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

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

54 6. The exemption and refund specified in this section
55 shall be available only with regard to motor fuel delivered
56 into a motor vehicle with a gross weight, as defined in
57 section 301.010, of twenty-six thousand pounds or less.

58 7. The director shall promulgate rules as necessary to
59 implement the provisions of this section. Any rule or
60 portion of a rule, as that term is defined in section

61 536.010, that is created under the authority delegated in
62 this section shall become effective only if it complies with
63 and is subject to all of the provisions of chapter 536 and,
64 if applicable, section 536.028. This section and chapter
65 536 are nonseverable and if any of the powers vested with
66 the general assembly pursuant to chapter 536 to review, to
67 delay the effective date, or to disapprove and annul a rule
68 are subsequently held unconstitutional, then the grant of
69 rulemaking authority and any rule proposed or adopted after
70 August 28, 2021, shall be invalid and void.

71 **8. This section shall expire on October 1, 2025.**

142.869. 1. The tax imposed by this chapter shall not
2 apply to passenger motor vehicles, buses as defined in
3 section 301.010, or commercial motor vehicles registered in
4 this state which are powered by alternative fuel, and for
5 which a valid decal has been acquired as provided in this
6 section, provided that sales made to alternative fueled
7 vehicles powered by propane, compressed natural gas, or
8 liquefied natural gas that do not meet the requirements of
9 subsection [4] 3 of this section shall be taxed exclusively
10 pursuant to subdivisions (4) to (7) of subsection 1 of
11 section 142.803, respectively. The owners or operators of
12 such motor vehicles, except plug-in electric hybrids, shall,
13 in lieu of the tax imposed by section 142.803, pay an annual
14 alternative fuel decal fee as follows: seventy-five dollars
15 on each passenger motor vehicle, school bus as defined in
16 section 301.010, and commercial motor vehicle with a
17 licensed gross vehicle weight of eighteen thousand pounds or
18 less; one hundred dollars on each motor vehicle with a
19 licensed gross weight in excess of eighteen thousand pounds
20 but not more than thirty-six thousand pounds used for farm
21 or farming transportation operations and registered with a

22 license plate designated with the letter "F"; one hundred
23 fifty dollars on each motor vehicle with a licensed gross
24 vehicle weight in excess of eighteen thousand pounds but
25 less than or equal to thirty-six thousand pounds, and each
26 passenger-carrying motor vehicle subject to the registration
27 fee provided in sections 301.059, 301.061 and 301.063; two
28 hundred fifty dollars on each motor vehicle with a licensed
29 gross weight in excess of thirty-six thousand pounds used
30 for farm or farming transportation operations and registered
31 with a license plate designated with the letter "F"; and one
32 thousand dollars on each motor vehicle with a licensed gross
33 vehicle weight in excess of thirty-six thousand pounds.
34 Owners or operators of plug-in electric hybrids shall pay
35 one-half of the stated annual alternative fuel decal fee.
36 Notwithstanding provisions of this section to the contrary,
37 motor vehicles licensed as historic under section 301.131
38 which are powered by alternative fuel shall be exempt from
39 both the tax imposed by this chapter and the alternative
40 fuel decal requirements of this section. For the purposes
41 of this section, a plug-in electric hybrid shall be any
42 hybrid vehicle made by a manufacturer with a model year of
43 2018 or newer, that has not been modified from the original
44 manufacturer specifications, with an internal combustion
45 engine and batteries that can be recharged by connecting a
46 plug to an electric power source.

47 2. [Beginning January 1, 2022, the fees in subsection
48 1 of this section shall be increased by twenty percent of
49 the fee in effect on August 28, 2021, per year for a period
50 of five years, except that the fee for motor vehicles with a
51 licensed gross vehicle weight in excess of thirty-six
52 thousand pounds shall be increased by ten percent of the fee

53 in effect on August 28, 2021, per year for a period of five
54 years.

55 **3.1** Except interstate fuel users and vehicles licensed
56 under a reciprocity agreement as defined in section 142.617,
57 the tax imposed by section 142.803 shall not apply to motor
58 vehicles registered outside this state which are powered by
59 alternative fuel other than propane, compressed natural gas,
60 and liquefied natural gas, and for which a valid temporary
61 alternative fuel decal has been acquired as provided in this
62 section. The owners or operators of such motor vehicles
63 shall, in lieu of the tax imposed by section 142.803, pay a
64 temporary alternative fuel decal fee of eight dollars on
65 each such vehicle. Such decals shall be valid for a period
66 of fifteen days from the date of issuance and shall be
67 attached to the lower right-hand corner of the front
68 windshield on the motor vehicle for which it was issued.
69 Such decal and fee shall not be transferable. All proceeds
70 from such decal fees shall be deposited as specified in
71 section 142.345. Alternative fuel dealers selling such
72 decals in accordance with rules and regulations prescribed
73 by the director shall be allowed to retain fifty cents for
74 each decal fee timely remitted to the director.

75 **[4.] 3.** Owners or operators of passenger motor
76 vehicles, buses as defined in section 301.010, or commercial
77 motor vehicles registered in this state which are powered by
78 compressed natural gas or liquefied natural gas who have
79 installed a compressed natural gas fueling station or
80 liquefied natural gas fueling station used solely to fuel
81 the motor vehicles they own or operate as of December 31,
82 2015, may continue to apply for and use the alternative fuel
83 decal in lieu of paying the tax imposed under subdivisions
84 (4) and (5) of subsection 1 of section 142.803. Owners or

85 operators of compressed natural gas fueling stations or
86 liquefied natural gas fueling stations whose vehicles bear
87 an alternative fuel decal shall be prohibited from selling
88 or providing compressed natural gas or liquefied natural gas
89 to any motor vehicle they do not own or operate. Owners or
90 operators of motor vehicles powered by compressed natural
91 gas or liquefied natural gas bearing an alternative fuel
92 decal after January 1, 2016, that decline to renew the
93 alternative fuel decals for such motor vehicles shall no
94 longer be eligible to apply for and use alternative fuel
95 decals under this subsection. Any compressed natural gas or
96 liquefied natural gas obtained at any fueling station not
97 owned by the owner or operator of the motor vehicle bearing
98 an alternative fuel decal shall be subject to the tax under
99 subdivisions (4) and (5) of subsection 1 of section 142.803.

100 [5.] 4. An owner or operator of a motor vehicle
101 powered by propane may continue to apply for and use the
102 alternative fuel decal in lieu of paying the tax imposed
103 under subdivision (6) of subsection 1 of section 142.803.
104 If the appropriate motor fuel tax under subdivision (6) of
105 subsection 1 of section 142.803 is collected at the time of
106 fueling, an operator of a propane fueling station that uses
107 quick-connect fueling nozzles may sell propane as a motor
108 fuel without verifying the application of a valid Missouri
109 alternative fuel decal. If an owner or operator of a motor
110 vehicle powered by propane that bears an alternative fuel
111 decal refuels at an unattended propane refueling station,
112 such owner or operator shall not be eligible for a refund of
113 the motor fuel tax paid at such refueling.

114 [6.] 5. The director shall annually, on or before
115 January thirty-first of each year, collect or cause to be
116 collected from owners or operators of the motor vehicles

117 specified in subsection 1 of this section the annual decal
118 fee. Applications for such decals shall be supplied by the
119 department of revenue. In the case of a motor vehicle which
120 is not in operation by January thirty-first of any year, a
121 decal may be purchased for a fractional period of such year,
122 and the amount of the decal fee shall be reduced by one-
123 twelfth for each complete month which shall have elapsed
124 since the beginning of such year. This subsection shall not
125 apply to an owner or operator of a motor vehicle powered by
126 propane who fuels such vehicle exclusively at unattended
127 fueling stations that collect the motor fuel tax.

128 [7.] 6. Upon the payment of the fee required by
129 subsection 1 of this section, the director shall issue a
130 decal, which shall be valid for the current calendar year
131 and shall be attached to the lower right-hand corner of the
132 front windshield on the motor vehicle for which it was
133 issued.

134 [8.] 7. The decal fee paid pursuant to subsection 1 of
135 this section for each motor vehicle shall be transferable
136 upon a change of ownership of the motor vehicle and, if the
137 LP gas or natural gas equipment is removed from a motor
138 vehicle upon a change of ownership and is reinstalled in
139 another motor vehicle, upon such reinstallation. Such
140 transfers shall be accomplished in accordance with rules and
141 regulations promulgated by the director.

142 [9.] 8. It shall be unlawful for any person to operate
143 a motor vehicle required to have an alternative fuel decal
144 upon the highways of this state without a valid decal unless
145 the motor vehicle is exclusively fueled at propane,
146 compressed natural gas, or liquefied natural gas fueling
147 stations that collect the motor fuel tax.

148 [10.] 9. No person shall cause to be put, or put, any
149 alternative fuel into the fuel supply receptacle or battery
150 of a motor vehicle required to have an alternative fuel
151 decal unless the motor vehicle either has a valid decal
152 attached to it or the appropriate motor fuel tax is
153 collected at the time of such fueling.

154 [11.] 10. Any person violating any provision of this
155 section is guilty of an infraction and shall, upon
156 conviction thereof, be fined five hundred dollars.

157 [12.] 11. Motor vehicles displaying a valid
158 alternative fuel decal are exempt from the licensing and
159 reporting requirements of this chapter.

Section B. This act is hereby submitted to the
2 qualified voters of this state for approval or rejection at
3 an election which is hereby ordered and which shall be held
4 and conducted on Tuesday next following the first Monday in
5 November, 2024, pursuant to the laws and constitutional
6 provisions of this state for the submission of referendum
7 measures by the general assembly, and this act shall become
8 effective when approved by a majority of the votes cast
9 thereon at such election and not otherwise. Pursuant to
10 chapter 116, and other applicable constitutional provisions
11 and laws of this state allowing the general assembly to
12 adopt ballot language for the submission of this act to the
13 voters of this state, the official summary statement of this
14 act shall be as follows:

15 "Shall the Missouri Revised Statutes be amended
16 to repeal the current and future increases to
17 the motor fuel tax and alternative fuel decal
18 fees enacted by the Missouri General Assembly in
19 2021?".

✓