

1 S.149

2 Introduced by Senator White

3 Referred to Committee on

4 Date:

5 Subject: Motor vehicles; gasoline tax; diesel fuel tax; inflation; indexing

6 Statement of purpose of bill as introduced: This bill proposes to provide that
7 gasoline and diesel fuel taxes shall annually increase by the percentage change
8 in the Consumer Price Index.

9 An act relating to indexing the gasoline and diesel fuel taxes for inflation

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 * * * Diesel Fuel Tax * * *

12 Sec. 1. 23 V.S.A. § 3003 is amended to read:

13 § 3003. IMPOSITION OF TAX; EXCEPTIONS

14 (a)(1) A tax of ~~\$0.28~~ in the amount set forth in subdivision (2) of this
15 subsection, a fee of \$0.01 established pursuant to the provisions of 10 V.S.A.
16 § 1942, and a \$0.03 motor fuel transportation infrastructure assessment, which
17 for purposes of the International Fuel Tax Agreement only shall be deemed to
18 be a surcharge, are imposed on each gallon of fuel:

19 ~~(1)~~(A) sold or delivered by a distributor; or

20 ~~(2)~~(B) used by a user.

1 (2) The amount of the tax on each gallon of fuel pursuant to subdivision
2 (1) of this subsection shall, before July 1, 2028, be \$0.28. Beginning on July
3 1, 2028, and on each subsequent July 1, the amount of the tax shall increase by
4 the percentage change in the Bureau of Labor Statistics Consumer Price Index
5 for All Urban Consumers (CPI-U) for the 12-month period preceding the
6 previous April 1. The amount of the tax shall remain the same as the previous
7 year if the percentage change in the CPI-U for the 12-month period preceding
8 the previous April 1 is negative.

9 * * *

10 * * * Gasoline Tax * * *

11 Sec. 2. 23 V.S.A. § 3106 is amended to read:

12 § 3106. IMPOSITION, RATE, AND PAYMENT OF TAX

13 (a)(1) Except for sales of motor fuels between distributors licensed in this
14 State, which sales shall be exempt from the taxes and assessments authorized
15 under this section, unless exempt under the laws of the United States at the
16 time of filing the report required by section 3108 of this title, each distributor
17 shall pay to the Commissioner:

18 (A) a tax ~~of \$0.124~~ in the amount set forth pursuant to subdivision (6)
19 of this subsection (a) upon each gallon of motor fuel sold by the distributor;

20 and

21 * * *

1 (6) The amount of the tax on each gallon of motor fuel pursuant to
2 subdivision (1) of this subsection shall, before July 1, 2028, be \$0.28.
3 Beginning on July 1, 2028, and on each subsequent July 1, the amount of the
4 tax shall increase by the percentage change in the Bureau of Labor Statistics
5 Consumer Price Index for All Urban Consumers (CPI-U) for the 12-month
6 period preceding the previous April 1. The amount of the tax shall the same as
7 the previous year if the percentage change in the CPI-U for the 12-month
8 period preceding the previous April 1 is negative.

9 * * *

10 * * * Effective Date * * *

11 Sec. 3. EFFECTIVE DATE

12 This act shall take effect on July 1, 2025.