

**L
C
S**



Review of Transportation Funding Legislation Adopted in Georgia: HB 170 (2015)

**Staff Briefing
Presented to the
Transportation Infrastructure Revenue Subcommittee
November 3, 2015**

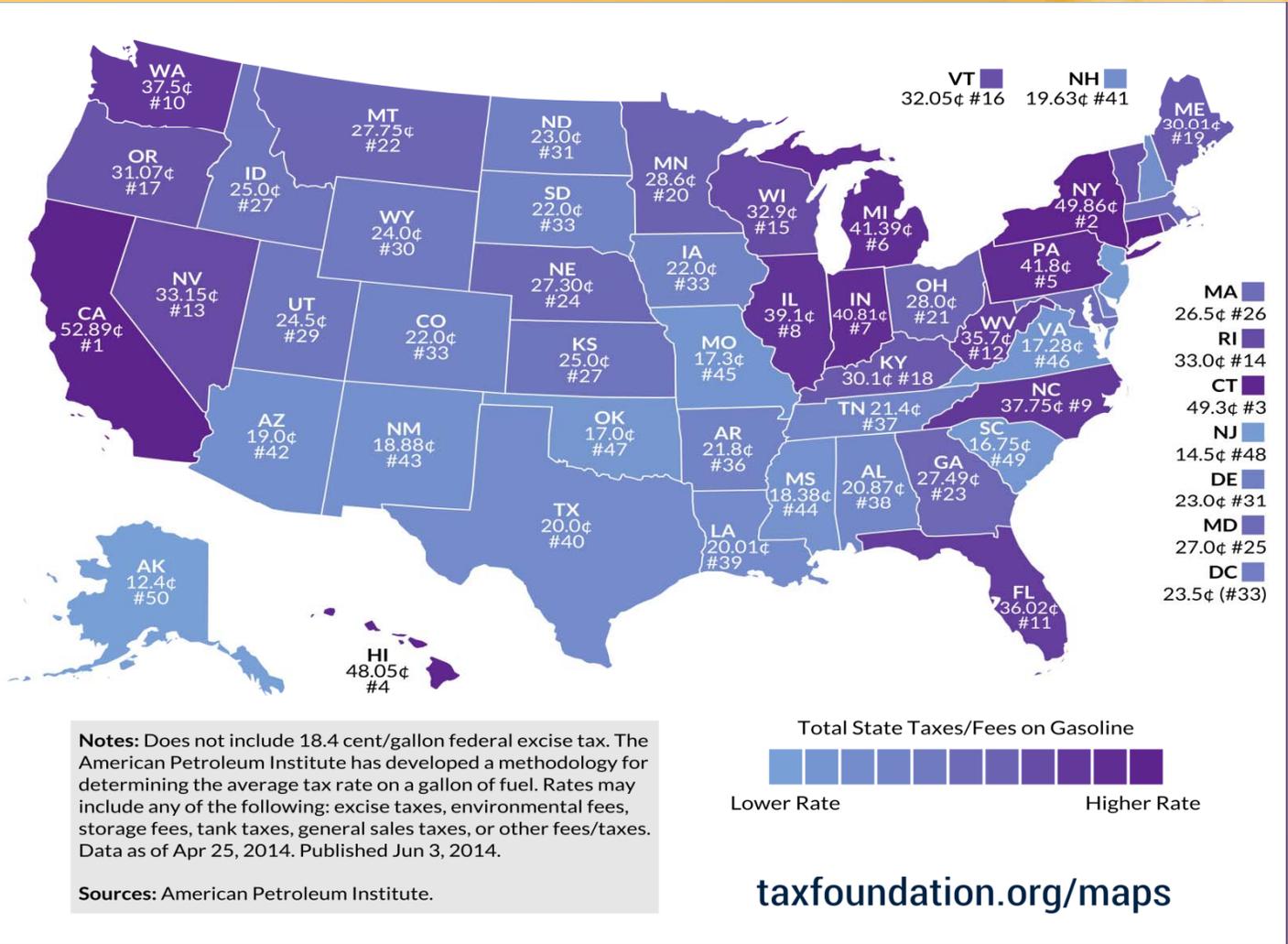
**By
Jeff Eaton
Legislative Council Service**

Georgia's HB 170 (2015)



- Federal funding sources have been in decline for several years.
- Many states have gas taxes tied to the price of fuel and when prices fell, program revenues for road construction and maintenance fell.
- In 2015, seven states—Georgia, Idaho, Iowa, Nebraska, South Dakota, Utah and Washington—passed legislation to increase gas taxes.
- This presentation analyzes Georgia.

Georgia's HB 170 (2015) (cont.)



NM Tax Rate: 17 cpg Gas Tax & 1.875 cpg Petroleum Products Loading Fee

L C S Georgia's HB 170 (2015) (cont.)



Georgia

Bill: HB 170 (Conference Committee Report)

Enacted: May 4, 2015.

Summary: Effective 7/1/2015, the new law replaces the state's 4% gas sales tax with a 26 cents/gallon excise tax (an effective increase of 6 cents/gallon at time of passage).

- Local sales taxes remain at 1% on the price of motor fuel (capped at \$3/gallon). When fuel prices are below the \$3/gallon cap, there is no fiscal impact to local governments (counties).
- New excise tax is indexed to fuel efficiency and the Consumer Price Index.

L C S Georgia's HB 170 (2015) (cont.)



462 (a)(1) An excise tax is imposed at the rate of ~~7 1/2¢~~ 26¢ per gallon on distributors who
463 sell or use motor fuel, other than diesel fuel, within this state. An excise tax is imposed
464 at the rate of 29¢ per gallon on distributors who sell or use diesel fuel within this state.

465 It is the intention of the General Assembly that the legal incidence of the tax be imposed
466 upon the distributor.

467 (1.1)(A) Beginning on July 1, 2016, and annually thereafter, the amount of this excise
468 tax per gallon on distributors shall be automatically adjusted on an annual basis in
469 accordance with this paragraph.

L C S Georgia's HB 170 (2015) (cont.)



470 (B) Using 2014 as a base year, the department shall determine the average miles per
471 gallon of all new vehicles registered in this state pursuant to Code Section 48-5C-1
472 using the average of combined miles per gallon published in the United States
473 Department of Energy Fuel Economy Guide. Beginning on July 1, 2016, and each year
474 thereafter, the department shall calculate the average miles per gallon of all new
475 vehicles registered in this state in the previous year. The excise tax rate shall be
476 multiplied by the percentage increase or decrease in fuel efficiency from the previous
477 year, and the resulting increase or decrease shall be added to the excise tax rate to
478 determine the preliminary excise tax rate.

L C S Georgia's HB 170 (2015) (cont.)



479 (C) Once the preliminary excise tax rate is established, it shall be multiplied by the
480 annual percentage of increase or decrease in the Consumer Price Index. The resulting
481 calculation shall be added to the preliminary excise tax rate, and the result of such
482 calculation shall be the new excise tax rate for motor fuels for the next calendar year.
483 The Consumer Price Index shall no longer be used after July 1, 2018.