

SESSION OF 2018

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2488

As Amended by House Committee on Taxation

Brief*

HB 2488, as amended, would remove the word “alcohol” from the definition of “special fuels” in KSA 2017 Supp. 79-3401(s). The bill would revise the definition of “motor-vehicle fuels,” contained in KSA 2017 Supp. 79-3401(l), to include a reference to alcohol combined with fuels.

Background

The bill was introduced by the House Committee on Taxation at the request of the Department of Revenue (Department).

In a hearing before the House Committee on Taxation on January 23, a representative of the Department testified as a proponent, stating the bill would clarify how fuels are taxed. The testimony indicated motor-vehicle fuel blended with alcohol would be taxed at the gasoline rate of \$0.24 per gallon rather than the special fuel rate of \$0.26 per gallon. The proponent suggested an amendment to the definition of “motor-vehicle fuels.”

A representative of the Renew Kansas Association testified as neutral, expressing concern over unintended negative effects on the treatment of agricultural ethyl alcohol or ethanol.

No other testimony was provided.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The House Committee amended the bill to revise the definition of “motor-vehicle fuels” as proposed by the Department.

A fiscal note prepared by the Division of the Budget indicates the bill would have no fiscal effect.