Peter A. Cooper *Legislative Service Commission*

H.B. 170

123rd General Assembly
(As Introduced)

Reps. Healy, Boyd, O'Brien, Terwilleger, Padgett, Ogg, Bateman, Pringle, Young, Lucas, Van Vyven, Maier, Krupinski, Schuck, Hartnett, Flannery, Schuler, Jones, Metelsky, Patton, Krebs, Bender, Winkler

BILL SUMMARY

- Exempts fuel sold for use in school buses from the state motor fuel tax.

CONTENT AND OPERATION

Tax on motor vehicle fuel--current law

(secs. 5735.05 and 5735.06)

Under current law, a tax is levied on the use, distribution, and sale in Ohio of motor vehicle fuel. The tax consists of five separate levies: three of 2¢ per gallon each, one of 1¢ per gallon, and a "cents-per-gallon" levy at a rate computed by the Tax Commissioner. The levies are imposed on fuel dealers. Revenue from the levies are used for various purposes, including street and highway maintenance and repair, bridge repair, turnpike projects, and the repayment of state highway debt.

Current exemptions from tax

Currently, exemptions from the fuel taxes are granted for fuel used by the United States government and its agencies, for fuel used in aircraft, and for fuel that is delivered out of state or otherwise not used for the propulsion of motor vehicles or watercraft in Ohio. Refunds are also permitted to reimburse certain fuel users for the amount of taxes paid on fuel. Among the fuel users eligible for reimbursement are persons using fuel in transit buses operated as part of a local public transit system.

Proposed exemption for fuel used in school buses

(secs. 5735.05(A)(10) and 5735.06(A)(3)(f))

The bill exempts from the tax any fuel sold exclusively for use by a school district in transporting pupils to and from school. To obtain the exemption, the purchaser of the fuel would have to execute a certificate of exemption, prescribed by the Tax Commissioner, certifying that the exempt fuel has been purchased for exclusive use by a school board in transporting pupils to and from school.

The bill requires fuel dealers to include with their monthly reports to the Tax Commissioner the amount of fuel sold for use by school boards in transporting students to and from school.

HISTORY

ACTION	DATE	JOURNAL ENTRY
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