

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7322**

**BILL NUMBER: HB 1240**

**DATE PREPARED: Jan 5, 1999**

**BILL AMENDED:**

**SUBJECT: Motor carrier fuel tax exemption.**

**FISCAL ANALYST: James Sperlik**

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**FUNDS AFFECTED:     GENERAL  
                           DEDICATED  
                          FEDERAL**

**IMPACT: State**

**Summary of Legislation:** This bill provides that the motor carrier fuel tax exemption for motor fuel used to propel equipment mounted on a motor vehicle that has a common reservoir for locomotion and for the operation of the equipment applies to any use of motor fuel to propel the equipment. (Current law provides that the exemption applies only to motor fuel used to propel equipment in Indiana.)

**Effective Date:** Upon passage; February 13, 1998 (retroactive).

**Explanation of State Expenditures:** The expansion of the motor carrier fuel tax exemption for motor fuel use likely will result in additional claims being filed with the Department of Revenue. It is possible that additional employees would need to be hired to handle the anticipated increase in claims filed. The fund affected is the Motor Carrier Regulation Fund. The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. As of November, 30, 1999, the Department of Revenue had 211 vacancies on its Manning Table. These positions were budgeted. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:** In 1997, the Department of Revenue processed 3,700 proportional use refund claims totaling \$3,445,163. The average refund claim was \$931. Expansion of the motor carrier fuel exemption for motor fuel use likely will increase the number of claims and the amount refunded, but the precise amount of the increase in refunds is indeterminable. The funds affected from which the refunds are paid are the Motor Vehicle Highway Account and the Motor Carrier Regulation Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Revenue.

**Local Agencies Affected:**

**Information Sources:** Pam Arbuckle, Administrator Fuel and Environmental Division of the Department of Revenue, 232-1862.