

AMENDED IN ASSEMBLY MAY 11, 2015

AMENDED IN ASSEMBLY MAY 5, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1442

Introduced by Assembly Members O'Donnell and Brough

February 27, 2015

An act to amend Sections 7318 and 8651.8 of, and to add Section 8623 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1442, as amended, O'Donnell. Motor vehicle fuel: gasohol.

Existing law, the Motor Vehicle Fuel Tax Law, imposes a tax upon the privilege of distributing motor fuel and defines the term "gasohol" for purposes of that law. Gasohol is defined as all blends of gasoline and alcohol containing more than 15% gasoline.

This bill would redefine gasohol to instead mean all blends of gasoline and alcohol containing more than 21% or a percentage determined by regulations adopted by the State Board of Equalization, as specified.

Existing law, the Use Fuel Tax Law, imposes an excise tax for the use of fuel, as defined, and requires that the excise tax imposed upon ethanol or methanol containing not more than 15% gasoline or diesel fuels be $\frac{1}{2}$ of that rate. That law provides for refunds for certain overpayments of tax within a specified time period.

~~This bill, beginning on and after January 1, 2013, bill~~ would instead apply that discounted rate to ethanol or methanol containing not more than 21% gasoline, blended ethanol fuel, as defined, or diesel fuels.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7318 of the Revenue and Taxation Code
2 is amended to read:
3 7318. “Gasohol” means all blends of gasoline and alcohol
4 containing more than 21 percent gasoline, or a percentage adopted
5 by board regulation as specified in Section 8623.
6 SEC. 2. Section 8623 is added to the Revenue and Taxation
7 Code, to read:
8 8623. “Blended ethanol fuel” is defined as a fuel blend
9 consisting of ethanol and gasoline that meets one of the following
10 requirements:
11 (a) Contains not more than 21 percent gasoline.
12 (b) Contains not more than a percentage of gasoline, as specified
13 by board regulation, that is consistent with the E-85 Fuel Ethanol
14 Specifications of Section 2292.4 of Title 13 of the California Code
15 of Regulations.
16 SEC. 3. Section 8651.8 of the Revenue and Taxation Code is
17 amended to read:
18 8651.8. (a) ~~(1)~~—Notwithstanding Section 8651, the excise tax
19 imposed upon ethanol or methanol containing not more than ~~15~~
20 ~~21 percent gasoline~~ *gasoline, blended ethanol fuel*, or diesel fuels
21 shall be one-half the rate prescribed by Section 8651 for each
22 gallon of fuel used.
23 ~~(2) This subdivision shall only apply to ethanol, methanol, or~~
24 ~~diesel fuels sold before January 1, 2013.~~
25 (b) All references in this code to Section 8651 shall be deemed,
26 with respect to the rate imposed upon blended ethanol fuel, ethanol,
27 or methanol, to also refer to this section.
28 ~~(c) Notwithstanding Section 8651, on or after January 1, 2013,~~
29 ~~the excise tax imposed on ethanol or methanol containing not more~~
30 ~~than 21 percent gasoline, blended ethanol fuel, or diesel fuels shall~~
31 ~~be one-half the rate prescribed by Section 8651 for each gallon of~~
32 ~~fuel used.~~
33 SEC. 4. ~~The Legislature finds and declares that this act serves~~
34 ~~a public purpose and does not constitute a gift of public funds~~

1 ~~within the meaning of Section 6 of Article XVI of the California~~
2 ~~Constitution:~~

3 ~~SEC. 5.~~

4 *SEC. 4.* This act provides for a tax levy within the meaning of
5 Article IV of the Constitution and shall go into immediate effect.

O