

H. B. 4396

(By Delegates Ellington, Kump, Gearheart, Stephens, Faircloth, Householder, Folk, Shott, Frich, Storch and White)

[Introduced February 4, 2014; referred to the Committee on Finance.]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §11-15C-1, §11-15C-2, §11-15C-3 and §11-15C-4, all relating to a trial suspension in certain border counties of the Motor Fuel Excise Tax and certain portions of the Consumers Sales and Service Tax.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new article, designated §11-15C-1, §11-15C-2, §11-15C-3 and §11-15C-4, all to read as follows:

ARTICLE 15C. MOTOR FUEL TAX TRIAL.

§11-15C-1. Findings.

The Legislature finds that:

(a) There has been much recent discussion about the impact of motor fuel taxes on motor fuels sales in West Virginia; and

(b) This discussion has been especially contentious in the border counties of our state as they are adjacent to jurisdictions,

1 which, in some cases, have lower motor fuel tax rates, than our own
2 state, and thus, sell motor fuel cheaper; and

3 (c) There is no adequate way to truly forecast the impact of
4 altering motor fuel tax rates without a trial; and

5 (d) It is expedient to make a trial pilot program to consider
6 the impact of the partial repeal of motor fuel taxes and herein
7 sets forth the standards for the partial repeal.

8 **§11-15C-2. Pilot program.**

9 (a) Authorizing participation. -- Commencing July 1, 2015,
10 three counties, consisting of one border county of under 10,000
11 population, one border county of between ten thousand and fifty
12 thousand population and one border county of over fifty thousand
13 population, each of which must be current in payment of all state
14 fees, may participate in the Fuel Tax Pilot Program pursuant to
15 this section.

16 (b) Fuel Tax Repeal Pilot Program Board. -- Effective July 1,
17 2014, the Fuel Tax Repeal Pilot Program Board shall consist of the
18 following five voting members:

19 (1) The Governor, or a designee, who shall serve as chair;

20 (2) The Secretary of Tax and Revenue or a designee;

21 (3) One member representing the Business and Industry Council,
22 appointed by the Governor with the advice and consent of the
23 Senate;

24 (4) One member representing the largest labor organization in

1 the state, appointed by the Governor with the advice and consent of
2 the Senate; and

3 (5) One economist, appointed by the Governor with the advice
4 and consent of the Senate.

5 (6) The Chair of the Senate Committee on Finance and the Chair
6 of the House Committee on Finance shall be ex officio nonvoting
7 members.

8 (c) Board's powers and duties. -- The Fuel Tax Repeal Pilot
9 Program Board may:

10 (1) Establish specific eligibility criteria for the
11 application process and documentation required for participation in
12 the Pilot Program;

13 (2) Review, evaluate, make recommendations and approve or
14 reject, by a majority vote of the board, each aspect of the written
15 plan submitted by a county;

16 (3) By a majority vote of the board, select, based on the
17 county's written plan, the three counties which are to participate
18 in the Fuel Tax Repeal Pilot Program;

19 (4) Recommend a partial repeal or reduction in the motor fuels
20 taxes for each county participating in the Fuel Tax Repeal Pilot
21 Program and each tax period studied; and

22 (5) Perform any other powers or duties necessary to effectuate
23 the provisions of this section.

24 (d) Written plan. -- On or before September 1, 2014, a county

1 desiring to participate or continue to participate in the Fuel Tax
2 Repeal Pilot Program shall submit a written plan to the board
3 stating in why it should be selected to participate in the program.

4 (e) Selection of counties. -- On or after June 1, 2015, by a
5 majority vote, the Fuel Tax Repeal Pilot Program Board shall select
6 from the counties that submitted written plans and were approved by
7 the board by majority vote, the three counties to participate in
8 the Fuel Tax Repeal Pilot Program.

9 **§11-15C-3. Partial repeal of pertinent articles and sections.**

10 For those participating counties, commencing July 1, 2015 and
11 for two fiscal years thereafter, each provision of article
12 fourteen-c, the pertinent provisions of article fifteen, sections
13 three and eighteen-b, and the pertinent provisions of article
14 fifteen-a, section thirteen-a are to be repealed for all tax
15 periods, subject to the scope set forth by the Fuel Tax Repeal
16 Pilot Program Board in subdivision four of subsection (c) of
17 section two of this article: Provided, That tax liabilities arising
18 for taxable periods ending before July 1, 2015, are determined,
19 paid, administered, assessed and collected as if the tax imposed by
20 this article had not been repealed and the rights and duties of the
21 taxpayer and the State of West Virginia are fully and completely
22 preserved.

23 **§11-15C-4. Report of Board.**

24 On or before January 1, 2018, by a majority vote, the Fuel Tax

1 Repeal Pilot Program Board shall complete and present to the
2 Legislature a report on the effectiveness of a motor fuel tax
3 repeal, its net effects upon revenue-whether positive or negative,
4 and making recommendations for continuing, discontinuing or
5 expanding the motor fuel tax repeal.

NOTE: The purpose of this bill is to permit certain counties to participate in a limited time partial repeal of certain sections relating to Motor Fuel taxes.

The article is new; therefore, it has been completely underscored.