

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 262
AN ACT

To repeal sections 142.803, 142.824, and 142.869, RSMo, and to enact in lieu thereof five new sections relating to transportation funding.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 142.803, 142.824, and 142.869, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 142.803, 142.822, 142.824, 142.869, and 142.1000, to read as follows:

142.803. 1. A tax is levied and imposed on all motor fuel used or consumed in this state as follows:

(1) Motor fuel, seventeen cents per gallon;

(2) Alternative fuels, not subject to the decal fees as provided in section 142.869, with a power potential equivalent of motor fuel. In the event alternative fuel, which is not commonly sold or measured by the gallon, is used in motor vehicles on the highways of this state, the director is authorized to assess and collect a tax upon such alternative fuel measured by the nearest power potential equivalent to that of one gallon of regular grade gasoline. The determination by the director of the power potential equivalent of such alternative fuel shall be prima facie correct;

(3) Aviation fuel used in propelling aircraft with reciprocating engines, nine cents per gallon as levied and imposed by section 155.080 to be collected as required under this chapter;

19 (4) Compressed natural gas fuel, five cents per
20 gasoline gallon equivalent until December 31, 2019, eleven
21 cents per gasoline gallon equivalent from January 1, 2020,
22 until December 31, 2024, and then seventeen cents per
23 gasoline gallon equivalent thereafter. The gasoline gallon
24 equivalent and method of sale for compressed natural gas
25 shall be as published by the National Institute of Standards
26 and Technology in Handbooks 44 and 130, and supplements
27 thereto or revisions thereof. In the absence of such
28 standard or agreement, the gasoline gallon equivalent and
29 method of sale for compressed natural gas shall be equal to
30 five and sixty-six-hundredths pounds of compressed natural
31 gas. All applicable provisions contained in this chapter
32 governing administration, collections, and enforcement of
33 the state motor fuel tax shall apply to the tax imposed on
34 compressed natural gas, including but not limited to
35 licensing, reporting, penalties, and interest;

36 (5) Liquefied natural gas fuel, five cents per diesel
37 gallon equivalent until December 31, 2019, eleven cents per
38 diesel gallon equivalent from January 1, 2020, until
39 December 31, 2024, and then seventeen cents per diesel
40 gallon equivalent thereafter. The diesel gallon equivalent
41 and method of sale for liquefied natural gas shall be as
42 published by the National Institute of Standards and
43 Technology in Handbooks 44 and 130, and supplements thereto
44 or revisions thereof. In the absence of such standard or
45 agreement, the diesel gallon equivalent and method of sale
46 for liquefied natural gas shall be equal to six and six-
47 hundredths pounds of liquefied natural gas. All applicable
48 provisions contained in this chapter governing
49 administration, collections, and enforcement of the state
50 motor fuel tax shall apply to the tax imposed on liquefied

51 natural gas, including but not limited to licensing,
52 reporting, penalties, and interest;

53 (6) Propane gas fuel, five cents per gallon until
54 December 31, 2019, eleven cents per gallon from January 1,
55 2020, until December 31, 2024, and then seventeen cents per
56 gallon thereafter. All applicable provisions contained in
57 this chapter governing administration, collection, and
58 enforcement of the state motor fuel tax shall apply to the
59 tax imposed on propane gas including, but not limited to,
60 licensing, reporting, penalties, and interest;

61 (7) If a natural gas, compressed natural gas,
62 liquefied natural gas, electric, or propane connection is
63 used for fueling motor vehicles and for another use, such as
64 heating, the tax imposed by this section shall apply to the
65 entire amount of natural gas, compressed natural gas,
66 liquefied natural gas, electricity, or propane used unless
67 an approved separate metering and accounting system is in
68 place.

69 2. All taxes, surcharges and fees are imposed upon the
70 ultimate consumer, but are to be precollected as described
71 in this chapter, for the facility and convenience of the
72 consumer. The levy and assessment on other persons as
73 specified in this chapter shall be as agents of this state
74 for the precollection of the tax.

75 3. In addition to any tax collected under subdivision
76 (1) of subsection 1 of this section, the following tax is
77 levied and imposed on all motor fuel used or consumed in
78 this state, subject to the exemption on tax liability set
79 forth in section 142.822: from October 1, 2021, to June 30,
80 2022, two and a half cents per gallon; from July 1, 2022, to
81 June 30, 2023, five cents per gallon; from July 1, 2023, to
82 June 30, 2024, seven and a half cents per gallon; from July
83 1, 2024, to June 30, 2025, ten cents per gallon; from July

84 1, 2025, to June 30, 2026, twelve and a half cents per
85 gallon; and on and after July 1, 2026, fifteen cents per
86 gallon.

142.822. 1. Motor fuel used for purposes of
2 propelling motor vehicles on highways shall be exempt from
3 the fuel tax collected under subsection 3 of section
4 142.803, and an exemption and refund may be claimed by the
5 taxpayer if the tax has been paid and no refund has been
6 previously issued, provided that the taxpayer applies for
7 the exemption and refund as specified in this section. The
8 exemption and refund shall be issued on a fiscal year basis
9 to each person who pays the fuel tax collected under
10 subsection 3 of section 142.803 and who claims an exemption
11 and refund in accordance with this section, and shall apply
12 so that the fuel taxpayer has no liability for the tax
13 collected in that fiscal year under subsection 3 of section
14 142.803.

15 2. To claim an exemption and refund in accordance with
16 this section, a person shall present to the director a
17 statement containing a written verification that the claim
18 is made under penalty of perjury and that states the total
19 fuel tax paid in the applicable fiscal year for each vehicle
20 for which the exemption and refund is claimed. The claim
21 shall not be transferred or assigned, and shall be filed on
22 or after July first, but not later than September thirtieth,
23 following the fiscal year for which the exemption and refund
24 is claimed. The claim statement may be submitted
25 electronically, and shall at a minimum include the following
26 information:

- 27 (1) Date of sale;
28 (2) Name and address of purchaser;
29 (3) Name and address of seller;
30 (4) Number of gallons purchased; and

31 (5) Number of gallons purchased and charged Missouri
32 fuel tax, as a separate item.

33 3. Every person shall maintain and keep records
34 supporting the claim statement filed with the department of
35 revenue for a period of three years to substantiate all
36 claims for exemption and refund of the motor fuel tax,
37 together with invoices, original sales receipts marked paid
38 by the seller, bills of lading, and other pertinent records
39 and paper as may be required by the director for reasonable
40 administration of this chapter.

41 4. The director may make any investigation necessary
42 before issuing an exemption and refund under this section,
43 and may investigate an exemption and refund under this
44 section after it has been issued and within the time frame
45 for making adjustments to the tax pursuant to this chapter.

46 5. If an exemption and refund is not issued within
47 forty-five days of an accurate and complete filing, as
48 required by this chapter, the director shall pay interest at
49 the rate provided in section 32.065 accruing after the
50 expiration of the forty-five-day period until the date the
51 exemption and refund is issued.

52 6. The exemption and refund specified in this section
53 shall be available only with regard to motor fuel purchased
54 prior to July 1, 2027. This section shall expire on October
55 1, 2027.

56 7. The director shall promulgate rules as necessary to
57 implement the provisions of this section. Any rule or
58 portion of a rule, as that term is defined in section
59 536.010, that is created under the authority delegated in
60 this section shall become effective only if it complies with
61 and is subject to all of the provisions of chapter 536 and,
62 if applicable, section 536.028. This section and chapter
63 536 are nonseverable and if any of the powers vested with

64 the general assembly pursuant to chapter 536 to review, to
65 delay the effective date, or to disapprove and annul a rule
66 are subsequently held unconstitutional, then the grant of
67 rulemaking authority and any rule proposed or adopted after
68 August 28, 2021, shall be invalid and void.

142.824. 1. To claim a refund in accordance with
2 section 142.815, a person shall present to the director a
3 statement containing a written verification that the claim
4 is made under penalties of perjury and lists the total
5 amount of motor fuel purchased and used for exempt
6 purposes. The claim shall not be transferred or assigned
7 and shall be filed not more than three years after the date
8 the motor fuel was imported, removed or sold if the claimant
9 is a supplier, importer, exporter or distributor. If the
10 claim is filed by the ultimate consumer, a consumer must
11 file the claim within one year of the date of purchase or
12 April fifteenth following the year of purchase, whichever is
13 later. The claim statement may be submitted electronically,
14 and shall be supported by [the original sales slip, invoice
15 or other] documentation as approved by the director and
16 shall include the following information:

- 17 (1) Date of sale;
- 18 (2) Name and address of purchaser;
- 19 (3) Name and address of seller;
- 20 (4) Number of gallons purchased and base price per
21 gallon;
- 22 (5) Number of gallons purchased and charged Missouri
23 fuel tax, as a separate item; and
- 24 (6) Number of gallons purchased and charged sales tax,
25 if applicable, as a separate item[;
- 26 (7) Marked paid by the seller].

27 2. If the original sales slip or invoice is lost or
28 destroyed, a statement to that effect shall accompany the

29 claim for refund, and the claim statement shall also set
30 forth the serial number of the invoice. If the director
31 finds the claim is otherwise regular, the director may allow
32 such claim for refund.

33 3. The director may make any investigation necessary
34 before refunding the motor fuel tax to a person and may
35 investigate a refund after the refund has been issued and
36 within the time frame for making adjustments to the tax
37 pursuant to this chapter.

38 4. In any case where a refund would be payable to a
39 supplier pursuant to this chapter, the supplier may claim a
40 credit in lieu of such refund for a period not to exceed
41 three years.

42 5. Every person shall maintain and keep for a period
43 of three years records to substantiate all claims for refund
44 of the motor fuel tax, together with invoices, original
45 sales slips marked paid by the seller, bills of lading, and
46 other pertinent records and paper as may be required by the
47 director for reasonable administration of this chapter.

48 6. Motor fuel tax that has been paid more than once
49 with respect to the same gallon of motor fuel shall be
50 refunded by the director to the person who last paid the tax
51 after the subsequent taxable event upon submitting proof
52 satisfactory to the director.

53 7. Motor fuel tax that has otherwise been erroneously
54 paid by a person shall be refunded by the director upon
55 proof shown satisfactory to the director.

56 8. If a refund is not issued within ninety days of an
57 accurate and complete filing, as required by this chapter,
58 the director shall pay interest at the rate set out in
59 section 32.065 accruing after the expiration of the ninety-
60 day period until the date the refund is issued. After
61 December 31, 2000, if a refund is not issued within thirty

62 days of an accurate and complete filing, as required by this
63 chapter, the director shall pay interest at the rate
64 provided in section 32.065 accruing after the expiration of
65 the thirty-day period until the date the refund is issued.

66 9. The director shall promulgate rules as necessary to
67 implement the provisions of this section. Any rule or
68 portion of a rule, as that term is defined in section
69 536.010, that is created under the authority delegated in
70 this section shall become effective only if it complies with
71 and is subject to all of the provisions of chapter 536 and,
72 if applicable, section 536.028. This section and chapter
73 536 are nonseverable and if any of the powers vested with
74 the general assembly pursuant to chapter 536 to review, to
75 delay the effective date, or to disapprove and annul a rule
76 are subsequently held unconstitutional, then the grant of
77 rulemaking authority and any rule proposed or adopted after
78 August 28, 2021, shall be invalid and void.

142.869. 1. The tax imposed by this chapter shall not
2 apply to passenger motor vehicles, buses as defined in
3 section 301.010, or commercial motor vehicles registered in
4 this state which are powered by alternative fuel, and for
5 which a valid decal has been acquired as provided in this
6 section, provided that sales made to alternative fueled
7 vehicles powered by propane, compressed natural gas, or
8 liquefied natural gas that do not meet the requirements of
9 subsection 3 of this section shall be taxed exclusively
10 pursuant to subdivisions (4) to (7) of subsection 1 of
11 section 142.803, respectively. The owners or operators of
12 such motor vehicles, except plug-in electric hybrids, shall,
13 in lieu of the tax imposed by section 142.803, pay an annual
14 alternative fuel decal fee as follows: **[seventy-five]** one
15 hundred fifty dollars on each passenger motor vehicle,
16 school bus as defined in section 301.010, and commercial

17 motor vehicle with a licensed gross vehicle weight of
18 eighteen thousand pounds or less; [~~one~~] two hundred dollars
19 on each motor vehicle with a licensed gross weight in excess
20 of eighteen thousand pounds but not more than thirty-six
21 thousand pounds used for farm or farming transportation
22 operations and registered with a license plate designated
23 with the letter "F"; [~~one~~] three hundred [~~fifty~~] dollars on
24 each motor vehicle with a licensed gross vehicle weight in
25 excess of eighteen thousand pounds but less than or equal to
26 thirty-six thousand pounds, and each passenger-carrying
27 motor vehicle subject to the registration fee provided in
28 sections 301.059, 301.061 and 301.063; [~~two~~] five hundred
29 [~~fifty~~] dollars on each motor vehicle with a licensed gross
30 weight in excess of thirty-six thousand pounds used for farm
31 or farming transportation operations and registered with a
32 license plate designated with the letter "F"; and one
33 thousand five hundred dollars on each motor vehicle with a
34 licensed gross vehicle weight in excess of thirty-six
35 thousand pounds. Owners or operators of plug-in electric
36 hybrids shall pay one-half of the stated annual alternative
37 fuel decal fee. Notwithstanding provisions of this section
38 to the contrary, motor vehicles licensed as historic under
39 section 301.131 which are powered by alternative fuel shall
40 be exempt from both the tax imposed by this chapter and the
41 alternative fuel decal requirements of this section. For
42 the purposes of this section, a plug-in electric hybrid
43 shall be any hybrid vehicle made by a manufacturer with a
44 model year of 2018 or newer, that has not been modified from
45 the original manufacturer specifications, with an internal
46 combustion engine and batteries that can be recharged by
47 connecting a plug to an electric power source.

48 2. Except interstate fuel users and vehicles licensed
49 under a reciprocity agreement as defined in section 142.617,

50 the tax imposed by section 142.803 shall not apply to motor
51 vehicles registered outside this state which are powered by
52 alternative fuel other than propane, compressed natural gas,
53 and liquefied natural gas, and for which a valid temporary
54 alternative fuel decal has been acquired as provided in this
55 section. The owners or operators of such motor vehicles
56 shall, in lieu of the tax imposed by section 142.803, pay a
57 temporary alternative fuel decal fee of eight dollars on
58 each such vehicle. Such decals shall be valid for a period
59 of fifteen days from the date of issuance and shall be
60 attached to the lower right-hand corner of the front
61 windshield on the motor vehicle for which it was issued.
62 Such decal and fee shall not be transferable. All proceeds
63 from such decal fees shall be deposited as specified in
64 section 142.345. Alternative fuel dealers selling such
65 decals in accordance with rules and regulations prescribed
66 by the director shall be allowed to retain fifty cents for
67 each decal fee timely remitted to the director.

68 3. Owners or operators of passenger motor vehicles,
69 buses as defined in section 301.010, or commercial motor
70 vehicles registered in this state which are powered by
71 compressed natural gas or liquefied natural gas who have
72 installed a compressed natural gas fueling station or
73 liquefied natural gas fueling station used solely to fuel
74 the motor vehicles they own or operate as of December 31,
75 2015, may continue to apply for and use the alternative fuel
76 decal in lieu of paying the tax imposed under subdivisions
77 (4) and (5) of subsection 1 of section 142.803. Owners or
78 operators of compressed natural gas fueling stations or
79 liquefied natural gas fueling stations whose vehicles bear
80 an alternative fuel decal shall be prohibited from selling
81 or providing compressed natural gas or liquefied natural gas
82 to any motor vehicle they do not own or operate. Owners or

83 operators of motor vehicles powered by compressed natural
84 gas or liquefied natural gas bearing an alternative fuel
85 decal after January 1, 2016, that decline to renew the
86 alternative fuel decals for such motor vehicles shall no
87 longer be eligible to apply for and use alternative fuel
88 decals under this subsection. Any compressed natural gas or
89 liquefied natural gas obtained at any fueling station not
90 owned by the owner or operator of the motor vehicle bearing
91 an alternative fuel decal shall be subject to the tax under
92 subdivisions (4) and (5) of subsection 1 of section 142.803.

93 4. An owner or operator of a motor vehicle powered by
94 propane may continue to apply for and use the alternative
95 fuel decal in lieu of paying the tax imposed under
96 subdivision (6) of subsection 1 of section 142.803. If the
97 appropriate motor fuel tax under subdivision (6) of
98 subsection 1 of section 142.803 is collected at the time of
99 fueling, an operator of a propane fueling station that uses
100 quick-connect fueling nozzles may sell propane as a motor
101 fuel without verifying the application of a valid Missouri
102 alternative fuel decal. If an owner or operator of a motor
103 vehicle powered by propane that bears an alternative fuel
104 decal refuels at an unattended propane refueling station,
105 such owner or operator shall not be eligible for a refund of
106 the motor fuel tax paid at such refueling.

107 5. The director shall annually, on or before January
108 thirty-first of each year, collect or cause to be collected
109 from owners or operators of the motor vehicles specified in
110 subsection 1 of this section the annual decal fee.
111 Applications for such decals shall be supplied by the
112 department of revenue. In the case of a motor vehicle which
113 is not in operation by January thirty-first of any year, a
114 decal may be purchased for a fractional period of such year,
115 and the amount of the decal fee shall be reduced by one-

116 twelfth for each complete month which shall have elapsed
117 since the beginning of such year. This subsection shall not
118 apply to an owner or operator of a motor vehicle powered by
119 propane who fuels such vehicle exclusively at unattended
120 fueling stations that collect the motor fuel tax.

121 6. Upon the payment of the fee required by subsection
122 1 of this section, the director shall issue a decal, which
123 shall be valid for the current calendar year and shall be
124 attached to the lower right-hand corner of the front
125 windshield on the motor vehicle for which it was issued.

126 7. The decal fee paid pursuant to subsection 1 of this
127 section for each motor vehicle shall be transferable upon a
128 change of ownership of the motor vehicle and, if the LP gas
129 or natural gas equipment is removed from a motor vehicle
130 upon a change of ownership and is reinstalled in another
131 motor vehicle, upon such reinstallation. Such transfers
132 shall be accomplished in accordance with rules and
133 regulations promulgated by the director.

134 8. It shall be unlawful for any person to operate a
135 motor vehicle required to have an alternative fuel decal
136 upon the highways of this state without a valid decal unless
137 the motor vehicle is exclusively fueled at propane,
138 compressed natural gas, or liquefied natural gas fueling
139 stations that collect the motor fuel tax.

140 9. No person shall cause to be put, or put, any
141 alternative fuel into the fuel supply receptacle or battery
142 of a motor vehicle required to have an alternative fuel
143 decal unless the motor vehicle either has a valid decal
144 attached to it or the appropriate motor fuel tax is
145 collected at the time of such fueling.

146 10. Any person violating any provision of this section
147 is guilty of an infraction and shall, upon conviction
148 thereof, be fined five hundred dollars.

149 11. Motor vehicles displaying a valid alternative fuel
150 decal are exempt from the licensing and reporting
151 requirements of this chapter.

142.1000. 1. There is hereby created within the
2 department of revenue the "Electric Vehicle Task Force" to
3 consist of the following members:

4 (1) The director of the department of revenue, or his
5 or her designee, who shall serve as chair;

6 (2) The chairman of the public service commission, or
7 his or her designee, who shall serve as vice chair;

8 (3) The director of the department of transportation,
9 or his or her designee;

10 (4) The chair of the senate committee with
11 jurisdiction over transportation matters, or his or her
12 designee;

13 (5) The chair of the house of representatives
14 committee with jurisdiction over transportation matters, or
15 his or her designee;

16 (6) One member of the senate committee with
17 jurisdiction over transportation matters, to be appointed by
18 the minority floor leader of the senate;

19 (7) One member of the house of representatives
20 committee with jurisdiction over transportation matters, to
21 be appointed by the minority floor leader of the house of
22 representatives;

23 (8) One representative of the trucking or heavy
24 vehicle industry, to be appointed by the president pro
25 tempore of the senate;

26 (9) One representative of electric vehicle
27 manufacturers or dealers, to be appointed by the speaker of
28 the house of representatives;

29 (10) One representative of conventional motor vehicle
30 manufacturers or dealers, to be appointed by the president
31 pro tempore of the senate;

32 (11) One representative of the petroleum industry or
33 convenience stores, to be appointed by the speaker of the
34 house of representatives;

35 (12) One representative of electric vehicle charging
36 station manufacturers or operators, to be appointed by the
37 president pro tempore of the senate; and

38 (13) One representative of electric utilities, to be
39 appointed by the speaker of the house of representatives.

40 2. The task force shall analyze the following in the
41 context of transportation funding, and make recommendations
42 as to any actions the state should take to fund
43 transportation infrastructure in anticipation of more
44 widespread adoption of electric vehicles:

45 (1) Removal or mitigation of barriers to electric
46 vehicle charging, including strategies, such as time-of-use
47 rates, to reduce operating costs for current and future
48 electric vehicle owners without shifting costs to electric
49 ratepayers who do not own or operate electric vehicles;

50 (2) Strategies for managing the impact of electric
51 vehicles on, and services provided for electric vehicles by,
52 the electricity transmission and distribution system;

53 (3) Electric system benefits and costs of electric
54 vehicle charging, electric utility planning for electric
55 vehicle charging, and rate design for electric vehicle
56 charging;

57 (4) The appropriate role of electric utilities with
58 regard to the deployment and operation of electric vehicle
59 charging systems;

60 (5) How and on what terms, including quantity,
61 pricing, and time of day, charging stations owned or

62 operated by entities other than electric utilities will
63 obtain electricity to provide to electric vehicles;

64 (6) What safety standards should apply to the charging
65 of electric vehicles;

66 (7) The recommended scope of the jurisdiction of the
67 public service commission, the department of revenue, and
68 other state agencies over charging stations owned or
69 operated by entities other than electric utilities;

70 (8) Whether charging stations owned or operated by
71 entities other than electric utilities will be free to set
72 the rates or prices at which they provide electricity to
73 electric vehicles, and any other issues relevant to the
74 appropriate oversight of the rates and prices charged by
75 such stations, including transparency to the consumer of
76 those rates and prices; and

77 (9) The recommended billing and complaint procedures
78 for charging stations;

79 (10) Options to address how electric vehicle users pay
80 toward the cost of maintaining the state's transportation
81 infrastructure, including methods to assess the impact of
82 electric vehicles on that infrastructure and how to
83 calculate a charge based on that impact, the potential
84 assessment of a charge to electric vehicles as a rate per
85 kilowatt hour delivered to an electric vehicle, varying such
86 per-kilowatt-hour charge by size and type of electric
87 vehicle, and phasing in such per-kilowatt-hour charge;

88 (11) The accuracy of electric metering and submetering
89 technology for charging electric vehicles;

90 (12) Strategies to encourage electric vehicle usage
91 without shifting costs to electric ratepayers who do not own
92 or charge electric vehicles; and

93 (13) Any other issues the task force considers
94 relevant.

95 3. The department of revenue shall provide such
96 research, clerical, technical, and other services as the
97 task force may require in the performance of its duties.

98 4. The task force may hold public meetings at which it
99 may invite testimony from experts, or it may solicit
100 information from any party it deems may have information
101 relevant to its duties under this section.

102 5. No later than December 31, 2022, the task force
103 shall provide to the general assembly and the governor a
104 written report detailing its findings and recommendations,
105 including identifying any recommendations that may require
106 enabling legislation.

107 6. Members shall serve on the task force without
108 compensation, but may, at the discretion of the director of
109 the department of revenue, be reimbursed for actual and
110 necessary expenses incurred in the performance of their
111 official duties as members of the task force.

112 7. The task force shall expire on December 31, 2022.