

Statement of Estimated State Revenue Impact

Date: April 19, 2013 (Revised)

Bill Number: S.B. 149

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Committee Requesting Impact: Senate Finance

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Chapter 14 so as to enact the "Local Option Motor Fuel User Fee Act", to provide that a county may impose by ordinance, approved by referendum, a user fee of not more than two cents a gallon on retail sales of motor fuel for the sole purpose of road improvement projects and road maintenance within the county, to provide the process by which the user fee may be imposed, and to provide the manner in which the department of revenue shall collect and distribute the user fee.

REVENUE IMPACT ^{1/}

This bill is not expected to impact State revenues. If all counties in the State imposed this local option motor fuel user fee, local revenues for the sole purpose of road improvement projects and road maintenance are projected to increase by approximately \$60,387,863 in the first full fiscal year. Attached is a chart that estimates gasoline revenue by county, which is based on data from FY 2010, provided by Department of Revenue. Assuming that diesel fuel follows a similar pattern, the attached chart provides an estimate of the two cent local option motor fuel user fee by county.

Explanation

This bill allows a county, by ordinance, approved by referendum, to impose a user fee of not more than two cents a gallon on retail sales of motor fuel. The revenue of this fee would only be used for the sole purpose of road improvement projects and road maintenance within the county. The ordinance must specify the specific road improvement projects for which the proceeds of the user fee are to be used, the maximum time, stated in calendar years or calendar quarters, or a combination thereof, not to exceed five years, for which the fee may be imposed and the time when the referendum will be held. If all counties in the State imposed this local option motor fuel user fee, local revenues for the sole purpose of road improvement projects and road maintenance are projected to increase by approximately \$60,387,863 in the first full fiscal year. Since the State has little experience in applying sales taxes to gasoline at the retail level and recognizing the association problems with tax compliance and enforcement, this overall projection was discounted by 10% for the first year.

This act takes effect upon approval by the Governor.



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^{1/} This statement meets the requirement of Section 27-71 for a state revenue impact by the BEA, or Section 27-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

Annual Estimated Two Cent Motor Fuel Revenue
SB 149 1/25/13

<u>COUNTY</u>	<u>Gasoline Gallons FY 2010</u>	<u>2010 % of Total</u>	<u>Annual Estimated Two Cent Motor Fuel Revenue</u>
Abbeville	8,055,866	0.32%	\$193,921
Aiken	93,310,988	3.72%	\$2,246,181
Allendale	4,304,631	0.17%	\$103,621
Anderson	105,795,780	4.22%	\$2,546,715
Bamberg	5,048,134	0.20%	\$121,519
Barnwell	10,350,122	0.41%	\$249,148
Beaufort	67,806,841	2.70%	\$1,632,246
Berkeley	63,515,416	2.53%	\$1,528,942
Calhoun	12,462,521	0.50%	\$299,998
Charleston	196,516,938	7.83%	\$4,730,554
Cherokee	50,738,698	2.02%	\$1,221,381
Chester	9,941,346	0.40%	\$239,308
Chesterfield	22,293,672	0.89%	\$536,653
Clarendon	24,525,603	0.98%	\$590,380
Colleton	36,862,461	1.47%	\$887,353
Darlington	36,414,820	1.45%	\$876,577
Dillon	29,525,126	1.18%	\$710,729
Dorchester	59,341,422	2.37%	\$1,428,466
Edgefield	8,056,210	0.32%	\$193,929
Fairfield	12,079,330	0.48%	\$290,774
Florence	79,344,978	3.16%	\$1,909,991
Georgetown	34,586,152	1.38%	\$832,557
Greenville	229,202,012	9.14%	\$5,517,348
Greenwood	33,371,729	1.33%	\$803,324
Hampton	10,533,691	0.42%	\$253,567
Horry	169,174,061	6.74%	\$4,072,356
Jasper	30,027,306	1.20%	\$722,817
Kershaw	36,040,900	1.44%	\$867,576
Lancaster	46,887,253	1.87%	\$1,128,669
Laurens	28,994,526	1.16%	\$697,956
Lee	8,870,450	0.35%	\$213,529
Lexington	172,117,836	6.86%	\$4,143,219
McCormick	2,382,291	0.09%	\$57,346
Marion	15,665,529	0.62%	\$377,100
Marlboro	12,927,231	0.52%	\$311,184
Newberry	23,535,955	0.94%	\$566,557
Oconee	36,485,803	1.45%	\$878,286
Orangeburg	66,782,587	2.66%	\$1,607,590
Pickens	47,791,586	1.91%	\$1,150,439
Richland	156,462,881	6.24%	\$3,766,373
Saluda	4,644,694	0.19%	\$111,807
Spartanburg	167,430,568	6.67%	\$4,030,387
Sumter	51,582,646	2.06%	\$1,241,697
Union	10,971,995	0.44%	\$264,118
Williamsburg	12,891,992	0.51%	\$310,336
York	162,983,591	6.50%	\$3,923,339
Totals	2,508,636,168	100%	\$60,387,863

Source: Gasoline Gallons by County FY 2010, SC Department of Revenue; Annual Estimated Two Cent Motor Fuel Revenue, ORS, 1/25/13
Note: Annual Estimated Two Cent Motor Fuel Revenue was discounted by 10% for the first full fiscal year.