

Statement of Estimated State Revenue Impact

Date: April 19, 2013 (Revised)

Bill Number: S.B. 149

Authors: Gregory

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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Analyst: Wren

^{1/} This statement meets the requirement of Section 27-71 for a state revenue impact by the BEA, or Section 2-7-76 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.