



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 48
135th General Assembly

Bill Analysis

[Click here for S.B. 48's Fiscal Note](#)

Version: As Introduced

Primary Sponsor: Sen. S. Huffman

Zachary P. Bowerman, Attorney

SUMMARY

- Reduces the per-gallon rates of the motor fuel excise tax and the motor fuel use tax on all motor fuel other than gasoline to 38.5¢, the current gasoline rate, starting on January 1, 2024.

DETAILED ANALYSIS

Motor fuel excise tax rate

The bill reduces the motor fuel excise tax rate from 47¢ per gallon for all types of motor fuel other than gasoline, including diesel and compressed natural gas, to 38.5¢ per gallon, matching the existing rate for gasoline under continuing law. The rate reduction begins to apply on January 1, 2024.¹

Before July 1, 2019, the motor fuel excise tax rate was 28¢ per gallon. The 133rd General Assembly's biennial transportation budget (H.B. 62) increased the tax rate and allocated revenue derived from the increase (i.e., the portion of the rate above 28¢ per gallon) differently from collections from the initial 28¢ per gallon. Under continuing law, approximately 65% of revenue from the initial 28¢ per gallon rate is allocated to the state for transportation purposes, while the remainder is allocated to local governments for transportation projects. In contrast, 55% of the revenue from the portion of the rate above 28¢ per gallon is allocated to the state and the remainder to local governments.

All motor fuel tax collections under the bill are allocated in the same manner. The initial 28¢ per gallon is allocated in the same manner as all motor fuel tax was before H.B. 62, i.e.,

¹ R.C. 5735.05; Section 3.

approximately 65% to state projects and 35% to local governments, and, of the revenue in excess of 28¢ per gallon, 55% is allocated to the state and 45% to local governments.

HISTORY

Action	Date
Introduced	02-07-23
