

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 7295H.011
Bill No.: HB 3392
Subject: Motor Fuel; Agriculture; Taxation and Revenue - Sales and Use
Type: Original
Date: March 23, 2026

Bill Summary: This proposal exempts purchasers of certain dyed diesel fuel from the requirement to file a form 149 sales/use tax exemption certificate.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§144.063 - Dyed Diesel Fuel

Officials from the **Department of Revenue (DOR)** assume in Missouri, fuel used in a vehicle driven on the highway is subject to the motor fuel tax. Fuel used for agricultural purposes is not subject to the motor fuel tax. In order for state and federal fuel inspectors to determine whether the tax was paid on fuel the fuel is dyed. Dyed fuel is fuel that is required to be dyed pursuant to the U.S. EPA or IRS to note that it is exempt from federal and state taxation. This way the inspector can pull a sample of the fuel from your agricultural equipment or vehicle and determine if that fuel paid tax.

In Missouri, currently a taxpayer who wants to purchase dyed fuel must give a copy of MO-149 sales tax exemption form to the retailer. The retailer's acceptance of the form from the taxpayer indicates that the fuel by the taxpayer will be used only for agricultural purposes instead of the taxpayer using it on the highway. The MO-149 form ensures the retailer is not held liable should the taxpayer misuse the fuel. Only the taxpayer could be punished.

This proposal would remove the requirement of the taxpayer presenting a MO-149 form to the retailer. The taxpayer would be allowed to purchase the fuel with no statement that it will be strictly used for agricultural purposes. This will open the retailers up to possibly being liable for selling dyed fuel that was used inappropriately by a taxpayer.

DOR notes this will not have a fiscal impact on DOR.

However, should this increase the amount of fuel that has not have the tax paid, then additional resources may be necessary in the future to hire additional inspectors.

Oversight notes that the above-mentioned agency has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials from the **Missouri Department of Transportation** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

No direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
 Missouri Department of Transportation



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 Director
 March 23, 2026



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 Assistant Director
 March 23, 2026