

FISCAL NOTE

June 22, 2023

Bill No:	SB 35	Printer's No:	13	Sponsor:	Sen. Langerholc (R)
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COST / (SAVINGS)

Fund (s)	2022-23	2023-24
General Fund	See Below	See Below

SUMMARY: SB 35 seeks to eliminate the automatic increase in the gas tax. The bill adds a paragraph to the definition of the average wholesale price and sets the price at \$2.99 from the effective date of the bill going forward. Currently, the price has exceeded the \$2.99 floor.

ANALYSIS: SB 35 will stop the gas tax from automatically increasing throughout this calendar year and the years thereafter. Previously, the average wholesale price was defined to be determined by the Department of Revenue at the end of the calendar year. SB 35 would end this and set the price at \$2.99.

FISCAL IMPACT: PennDOT shows implementation of SB 35 would reduce revenues into the Motor License Fund in the amount of \$87.5 million in the remaining 5 months of fiscal year 2022-2023 and \$122,500,000 in the first 7 months of fiscal year 2023-2024. In the event the average wholesale price remains above \$2.99, the full 12-month impact to the Motor License Fund may be \$210,000,000. Additionally, there would be a reduction in the legislatively directed distribution to municipalities.