

COMMITTEE ON REVENUE ~ HOUSE BILL SUMMARY

Bill Number: H.3034
Name: AN ACT ESTABLISHING A FARM FUEL TAX REBATE
Sponsor(s): Rep. Nicholas A. Boldyga (Southwick)
Hearing Date: July 15, 2025
Reporting Date: September 13, 2025
Prior History: 2023-24 (H.2718): Ordered to a House Study

CURRENT LAW:

M.G.L. c. 64A, 64C, 64D, 64E, 64F, 64G, 64J, 64K, 64L, 64M – Excise taxes: Massachusetts imposes excise taxes on the purchase, transfer, or use of certain products and services, such as gasoline, tobacco products, and room occupancy.

M.G.L. c. 64A – Gasoline excise: Generally, motor fuels excise is due on fuel used on public ways. The tax rate on gasoline is 24¢ per gallon. The tax is included in the price charged at the retail sale at the pump. Very few entities are exempt from the excise due on fuel. Exempt entities include the federal government, Regional Transit Authorities, and three state agencies (MWRA, Port Authority, and MBTA). There are also uses that are exempt from motor fuel excise. If an individual purchases fuel and pays the state excise and then uses that fuel on the Mass Pike or for off-road purposes or in water craft, that individual may apply for a refund of the fuels tax.

PROPOSED CHANGE(S):

This bill creates a rebate for fuel taxes paid by farms, as defined under Section 1A of Chapter 128, for the operation of farm equipment. Under this bill, farm equipment shall mean:

“All machines and tools that are used in the production, harvesting, and care of agricultural or horticultural products and processes, and includes trailers that are used to transport agricultural produce or agricultural production materials between a local place of storage or supply and the farm and to the end markets, agricultural tractors, Trucks, ATVs, threshing machinery, hay-baling machinery, corn shellers, hammermills, and machinery used in the production of horticultural, agricultural, and vegetable products.”

DOR will publish a list of equipment eligible for a fuel tax rebate and shall prescribe the process by which a farm may file for a rebate. No rebate shall be processed until the farm owner or operator shall furnish evidence that any tax due under the provisions of this chapter 64 has been paid. No interest will be paid on rebates.

The Commissioner shall report on the impact of this rebate program including the revenue cost, the economic impact on Massachusetts farms and mechanics of a rebate program. The report shall be sent to the Committees on Ways and Means, the Joint Committee on Revenue and the Joint Committee on the Environment, Natural Resources and Agriculture. The report shall be sent no later than two years from the date the rebate program goes into effect. The rebate program shall expire 4 years from the date of effect unless reauthorized by the legislature.