

1 AVIATION FUEL TAX AMENDMENTS

2 2009 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Wayne L. Niederhauser**

5 House Sponsor: John Dougall

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies the Motor and Special Fuel Tax Act by amending provisions relating
10 to aviation fuel tax.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ reduces the aviation fuel tax rate that a federally certificated air carrier pays on
14 aviation fuel purchased at an international airport located within a county of the
15 first class that has a United States customs office on its premises from 4 cents to
16 2.5 cents on each gallon of aviation fuel;

17 ▶ repeals the 1.5 cent per gallon aviation fuel tax refund or credit for federally
18 certificated air carriers on gallons of aviation fuel purchased at an international
19 airport located within a county of the first class that has a United States customs
20 office on its premises; and

21 ▶ makes technical changes.

22 **Monies Appropriated in this Bill:**

23 None

24 **Other Special Clauses:**

25 This bill takes effect on July 1, 2009.

26 **Utah Code Sections Affected:**

27 AMENDS:

28 **59-13-401**, as last amended by Laws of Utah 1999, Chapter 179

29 **59-13-402**, as last amended by Laws of Utah 2001, Chapter 235

30 REPEALS:

31 **59-13-404**, as last amended by Laws of Utah 2008, Chapter 382



33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section **59-13-401** is amended to read:

35 **59-13-401. Aviation fuel tax -- Rate.**

36 (1) A tax is imposed upon aviation fuel at the rates provided in this section.

37 (2) Except as provided by Subsection (3), the tax on aviation fuel shall be~~[(a)~~
38 ~~beginning July 1, 1999, six cents per gallon; (b) beginning July 1, 2000, eight cents per~~
39 ~~gallon; and (c) beginning July 1, 2001, nine]~~ 9 cents per gallon.

40 (3) Aviation fuel purchased for use by a federally certificated air carrier is subject to a
41 tax of ~~[four]~~:

42 (a) 4 cents per gallon~~[-]~~ for aviation fuel purchased other than at an international
43 airport in a county of the first class that has a United States customs office on its premises; or

44 (b) 2.5 cents per gallon for aviation fuel purchased at an international airport in a
45 county of the first class that has a United States customs office on its premises.

46 Section 2. Section **59-13-402** is amended to read:

47 **59-13-402. Revenue from taxes deposited with treasurer -- Credit to Aeronautics**
48 **Restricted Account -- Purposes for which funds may be used -- Allocation of funds --**
49 **Reports -- Returns required.**

50 (1) (a) All revenue received by the commission under this part shall be deposited daily
51 with the state treasurer who shall credit all of the revenue collected to the Transportation Fund.

52 (b) An appropriation from the Transportation Fund shall be made to the commission to
53 cover expenses incurred in the administration and enforcement of this part and the collection
54 of the aviation fuel tax.

55 (c) Refunds to which taxpayers are entitled under this part shall be paid from the
56 Transportation Fund.

57 (2) The state treasurer shall place an amount equal to the total amount received from

58 the sale or use of aviation fuel in the Transportation Fund's Restricted Revenue Account for
 59 aeronautical operations of the Department of Transportation for:

60 (a) the construction, improvement, operation, and maintenance of publicly used
 61 airports in this state and the payment of principal and interest on indebtedness incurred for
 62 those purposes;

63 (b) the promotion of aeronautics in this state; and

64 (c) the payment of the costs and expenses of the Department of Transportation in
 65 administering this part or other law conferring upon it the duty of regulating and supervising
 66 aeronautics in this state.

67 (3) The tax imposed on each gallon of aviation fuel under Section 59-13-401 shall be
 68 allocated to the airport where the aviation fuel was sold and to aeronautical operations of the
 69 Department of Transportation as follows:

	Total	Allocation to	Allocation to
	Tax	Airport	Aeronautical
	Allocated		Operations
73 (a) Tax on Each Gallon of Aviation			
74 Fuel Purchased for Use by a Federally			
75 Certificated Air Carrier Other than at			
76 [the Salt Lake] <u>an</u> International Airport			
77 <u>Located in a County of the First Class</u>			
78 <u>that has a United States Customs Office</u>			
79 <u>on its Premises</u>	\$.04	\$.03	\$.01
80 (b) Tax [, less a refund or credit]			
81 [claimed under Section 59-13-404,]			
82 on Each Gallon of Aviation			
83 Fuel Purchased for Use by a Certificated			
84 Air Carrier at [the Salt Lake] <u>an</u> International			
85 Airport <u>Located in a County of the First Class</u>			

86 that has a United States Customs Office on
 87 its Premises \$.025 \$.015 \$.01

88 (c) Tax on Each Gallon of Aviation
 89 Fuel Purchased for Use by a Person Other
 90 than a Federally Certificated Air Carrier
 91 at [~~the Salt Lake~~] an International Airport
 92 [~~beginning July 1, 1999~~ \$.06 \$.02 \$.04]
 93 [~~beginning July 1, 2000~~ \$.08 \$.01 \$.07]
 94 [~~beginning July 1, 2001~~]

95 Located in a County of the First Class
 96 that has a United States Customs Office
 97 on its Premises \$.09 \$.00 \$.09

98 (d) Tax on Each Gallon of Aviation Fuel
 99 Purchased for Use by a Person Other
 100 than a Federally Certificated Air Carrier
 101 Other than at [~~the Salt Lake~~] an International Airport
 102 [~~beginning July 1, 1999~~ \$.06 \$.03 \$.03]
 103 [~~beginning July 1, 2000~~ \$.08 \$.03 \$.05]
 104 [~~beginning July 1, 2001~~]

105 Located in a County of the First Class
 106 that has a United States Customs Office
 107 on its Premises \$.09 \$.03 \$.06

108 (e) The allocation to the publicly used airport may be used at the discretion of the
 109 airport's governing authority for the purposes specified in Subsection (2)(a).

110 (f) Upon appropriation by the Legislature, the allocation to aeronautical operations of
 111 the Department of Transportation shall be used as provided in Subsection (2).

112 (4) (a) The commission shall require reports and returns from distributors, retail
 113 dealers, and users in order to enable the commission and the Department of Transportation to

114 allocate the revenue to be credited to the Transportation Fund's Restricted Revenue Account
115 for the aeronautical operations of that department and the separate accounts of individual
116 airports.

117 (b) (i) Except as provided by Subsection (4)(b)(ii), any unexpended amount remaining
118 in the account of any publicly used airport on the first day of January, April, July, and October
119 shall be paid to the authority operating the airport.

120 (ii) Aviation fuel tax allocated to any airport owned and operated by a city of the first
121 class shall be paid to the city treasurer on the first day of each month.

122 (c) The state treasurer shall place aviation fuel tax collected on fuel sold at places other
123 than publicly used airports in the Transportation Fund's Restricted Revenue Account for the
124 aeronautical operations of the Department of Transportation.

125 **Section 3. Repealer.**

126 This bill repeals:

127 **Section 59-13-404, Refunds of aviation fuel tax -- Filing claims -- Commission**
128 **approval -- Rulemaking -- Appeals -- Penalties.**

129 **Section 4. Effective date.**

130 This bill takes effect on July 1, 2009.