



28 Air Act Amendments of 1990, Title II.

29 (3) "Commission" means the State Tax Commission.

30 (4) (a) "Diesel fuel" means any liquid that is commonly or commercially known, offered  
31 for sale, or used as a fuel in diesel engines.

32 (b) "Diesel fuel" includes any combustible liquid, by whatever name the liquid may be  
33 known or sold, when the liquid is used in an internal combustion engine for the generation of  
34 power to operate a motor vehicle licensed to operate on the highway, except fuel that is subject to  
35 the tax imposed in Part 2, Motor Fuel, and Part 4, Aviation Fuel, of this chapter.

36 (5) "Distributor" means any person in this state who:

37 (a) imports or causes to be imported motor fuel for use, distribution, or sale, whether at  
38 retail or wholesale;

39 (b) produces, refines, manufactures, or compounds motor fuel in this state for use,  
40 distribution, or sale in this state; [or]

41 (c) is engaged in the business of purchasing motor fuel for resale in wholesale quantities  
42 to retail dealers of motor fuel and who accounts for his own motor fuel tax liability[-]; or

43 (d) for purposes of Part 4, Aviation Fuel, only, makes retail sales of aviation fuel to:

44 (i) federally certificated air carriers; and

45 (ii) other persons.

46 (6) "Dyed diesel fuel" means diesel fuel that is dyed in accordance with 26 U.S.C. Sec.  
47 4082 or United States Environmental Protection Agency or Internal Revenue Service regulations  
48 and that is considered destined for nontaxable off-highway use.

49 (7) "Exchange agreement" means an agreement between licensed suppliers where one is  
50 a position holder in a terminal who agrees to deliver taxable special fuel to the other supplier or  
51 the other supplier's customer at the loading rack of the terminal where the delivering supplier holds  
52 an inventory position.

53 (8) "Federally certificated air carrier" means a person who holds a certificate issued by the  
54 Federal Aviation Administration authorizing the person to conduct an all-cargo operation or  
55 scheduled operation, as defined in 14 C.F.R. Sec. 119.3.

56 [(8)] (9) "Fuels" means any gas, liquid, solid, mixture, or other energy source which is  
57 generally used in an engine or motor for the generation of power, including aviation fuel, clean  
58 fuel, diesel fuel, motor fuel, and special fuel.

59           ~~[(9)]~~ (10) "Highway" means every way or place, of whatever nature, generally open to the  
60 use of the public for the purpose of vehicular travel notwithstanding that the way or place may be  
61 temporarily closed for the purpose of construction, maintenance, or repair.

62           ~~[(10)]~~ (11) "Motor fuel" means fuel that is commonly or commercially known or sold as  
63 gasoline or gasohol and is used for any purpose, but does not include aviation fuel.

64           ~~[(11)]~~ (12) "Motor fuels received" means:

65           (a) motor fuels that have been loaded at the refinery or other place into tank cars, placed  
66 in any tank at the refinery from which any withdrawals are made directly into tank trucks, tank  
67 wagons, or other types of transportation equipment, containers, or facilities other than tank cars,  
68 or placed in any tank at the refinery from which any sales, uses, or deliveries not involving  
69 transportation are made directly; or

70           (b) motor fuels that have been imported by any person into the state from any other state  
71 or territory by tank car, tank truck, pipeline, or any other conveyance at the time when, and the  
72 place where, the interstate transportation of the motor fuel is completed within the state by the  
73 person who at the time of the delivery is the owner of the motor fuel.

74           ~~[(12)]~~ (13) (a) "Qualified motor vehicle" means a special fuel-powered motor vehicle used,  
75 designed, or maintained for transportation of persons or property which:

76           (i) has a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds;

77           (ii) has three or more axles regardless of weight; or

78           (iii) is used in a combination of vehicles when the weight of the combination of vehicles  
79 exceeds 26,000 pounds gross vehicle weight.

80           (b) "Qualified motor vehicle" does not include a recreational vehicle not used in  
81 connection with any business activity.

82           ~~[(13)]~~ (14) "Rack," as used in Part 3, means a deck, platform, or open bay which consists  
83 of a series of metered pipes and hoses for the delivery or removal of diesel fuel from a refinery or  
84 terminal into a motor vehicle, rail car, or vessel.

85           ~~[(14)]~~ (15) "Removal," as used in Part 3, means the physical transfer of diesel fuel from  
86 a production, manufacturing, terminal, or refinery facility and includes use of diesel fuel. Removal  
87 does not include:

88           (a) loss by evaporation or destruction; or

89           (b) transfers between refineries, racks, or terminals.

90            [~~(15)~~] (16) (a) "Special fuel" means any fuel regardless of name or character that:

91            (i) is usable as fuel to operate or propel a motor vehicle upon the public highways of the  
92 state; and

93            (ii) is not taxed under the category of aviation or motor fuel.

94            (b) Special fuel includes [~~those~~]:

95            (i) fuels that are not conveniently measurable on a gallonage basis[-]; and

96            [~~(b)~~] (ii) [~~"Special fuel" includes~~] diesel fuel.

97            [~~(16)~~] (17) "Supplier," as used in Part 3, means a person who:

98            (a) imports or acquires immediately upon importation into this state diesel fuel from within  
99 or without a state, territory, or possession of the United States or the District of Columbia;

100            (b) produces, manufactures, refines, or blends diesel fuel in this state;

101            (c) otherwise acquires for distribution or sale in this state, diesel fuel with respect to which  
102 there has been no previous taxable sale or use; or

103            (d) is in a two party exchange where the receiving party is deemed to be the supplier.

104            [~~(17)~~] (18) "Terminal," as used in Part 3, means a facility for the storage of diesel fuel  
105 which is supplied by a motor vehicle, pipeline, or vessel and from which diesel fuel is removed  
106 for distribution at a rack.

107            [~~(18)~~] (19) "Two party exchange" means a transaction in which special fuel is transferred  
108 between licensed suppliers pursuant to an exchange agreement.

109            [~~(19)~~] (20) "Undyed diesel fuel" means diesel fuel that is not subject to the dyeing  
110 requirements in accordance with 26 U.S.C. Sec. 4082 or United States Environmental Protection  
111 Agency or Internal Revenue Service regulations.

112            [~~(20)~~] (21) "Use," as used in Part 3, means the consumption of special fuel for the  
113 operation or propulsion of a motor vehicle upon the public highways of the state and includes the  
114 reception of special fuel into the fuel supply tank of a motor vehicle.

115            [~~(21)~~] (22) "User," as used in Part 3, means any person who uses special fuel within this  
116 state in an engine or motor for the generation of power to operate or propel a motor vehicle upon  
117 the public highways of the state.

118            Section 2. Section **59-13-401** is amended to read:

119            **59-13-401. Aviation fuel tax -- Rates.**

120            [A] (1) Except as provided in Subsection (2), a tax is imposed at the rate of [four] eight

121 cents per gallon upon all aviation fuel.

122 (2) A tax is imposed at the rate of five cents per gallon upon aviation fuel purchased by  
123 a federally certificated air carrier.

124 Section 3. Section **59-13-402** is amended to read:

125 **59-13-402. Revenue from taxes deposited with treasurer -- Credit to Aeronautics**  
126 **Restricted Account -- Purposes for which funds may be used -- Allocation of funds -- Reports**  
127 **-- Returns required.**

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

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

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

135 (2) The state treasurer shall place an amount equal to the total amount received from the  
136 sale or use of aviation fuel in the Transportation Fund's Restricted Revenue Account for  
137 aeronautical operations of the Department of Transportation for:

138 (a) the construction, improvement, operation, and maintenance of publicly used airports  
139 in this state;

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

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

144 (3) (a) [~~Seventy-five percent of the~~] Except as provided in Subsection (3)(b), aviation fuel  
145 tax collected on fuel sold at each airport shall be [paid to that airport for its use under  
146 (2). All amounts collected on fuel sold at airports owned and operated by cities of the first class  
147 shall be paid to the city treasurer on the first day of each month and used for airport use at the  
148 discretion of the governing authority of the city. (4) The remaining 25% shall be expended as the  
149 aeronautical operations of the Department of Transportation may determine under Subsection (2):]  
150 allocated to the airport and to aeronautical operations of the Department of Transportation as  
151 follows:

	<u>Allocation to</u>	<u>Allocation to</u>
	<u>Airport</u>	<u>Aeronautical</u>
		<u>Operations</u>
152		
153		
154		
155		
156		
157		
158		
159		
160		
161		
162		
163		
164		
165		
166		
167		
168		
169		

From \$.05/gal. tax on aviation fuel purchased by  
federally certificated air carriers  
From \$.08/gal. tax on aviation fuel purchased by  
persons other than federally certificated air carriers

40%  
  
25%

60%  
  
75%

(b) (i) If the governing authority of any publicly used airport before July 1, 1999, took official action to pledge aviation fuel taxes to the payment of bonds or to secure the payment of bonds, aviation fuel tax collected from fuel sold at the airport shall be allocated to the airport and to aeronautical operations of the Department of Transportation as follows:

	<u>Allocation to</u>	<u>Allocation to</u>
	<u>Airport</u>	<u>Aeronautical</u>
		<u>Operations</u>
163		
164		
165		
166		
167		
168		
169		
170		
171		
172		
173		
174		
175		
176		
177		
178		
179		
180		
181		
182		

From \$.05/gal. tax on aviation fuel purchased by  
federally certificated air carriers  
From \$.08/gal. tax on aviation fuel purchased by  
persons other than federally certificated air carriers

60%  
  
37.5%

40%  
  
62.5%

(ii) The allocation provided in Subsection (3)(b)(i) shall continue until the debt service on the bonds referred to in Subsection (3)(b)(i) has been paid in full.

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

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

~~[(5)]~~ (4) (a) The commission shall require reports and returns from distributors, retail dealers, and users in order to enable the commission and the Department of Transportation to allocate the revenue to be credited to the Transportation Fund's Restricted Revenue Account for the aeronautical [operation] operations of that department and the separate accounts of individual airports. [Any]

(b) (i) Except as provided by Subsection (4)(b)(ii), any unexpended amount remaining in the account of any publicly used airport on the first day of January, April, July, and October shall

183 be paid to the authority operating the airport [~~and used to defray operating expenses of the airport~~].

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

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

189 Section 4. Section **59-13-403** is amended to read:

190 **59-13-403. Administration and penalties -- Bond requirements.**

191 (1) All administrative and penalty provisions of Part 2, Motor Fuel, apply to the  
192 administration of Part 4, Aviation Fuel.

193 (2) (a) Notwithstanding Subsection (1) and Subsection 59-13-203(3), [the bond  
194 requirement for aviation fuel distributors whose tax liability averages \$500 or less per month  
195 during the preceding six months is \$2,000.] and except as provided in Subsection (2)(b), the bond  
196 may not be less than \$2,000.

197 (b) A distributor is not required to furnish a bond if the distributor:

198 (i) meets the definition of distributor under Subsection 59-13-102(5)(d); and

199 (ii) has an average tax liability of \$500 or less per month.

200 Section 5. **Effective date.**

201 This act takes effect on July 1, 1999.

---

---

## Legislative Review Note

as of 1-15-99 7:05 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel