

**AVIATION FUEL TAX AMENDMENTS**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne L. Niederhauser**

House Sponsor: John Dougall

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

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

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

- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on July 1, 2009.

**Utah Code Sections Affected:**

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) beginning July 1, 1999, six cents per gallon; (b) beginning July 1, 2000, eight cents per 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 tax of ~~[four]~~:

42 (a) 4 cents per gallon[;] for aviation fuel purchased other than at an international 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 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 of  
54 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 Tax Allocated	Allocation to Airport	Allocation to Aeronautical Operations
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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]~~ an International Airport  
77 Located in a County of the First Class  
78 that has a United States Customs Office  
79 on its Premises

\$ .04	\$ .03	\$ .01
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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]~~ an International  
85 Airport Located in a County of the First Class  
86 that has a United States Customs Office on  
87 its Premises

\$ .025	\$ .015	\$ .01
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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 for  
 115 the aeronautical operations of that department and the separate accounts of individual airports.

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

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

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

124 Section 3. **Repealer.**

125 This bill repeals:

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

128 Section 4. **Effective date.**

129 This bill takes effect on July 1, 2009.

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**Legislative Review Note**  
**as of 1-29-09 2:12 PM**

**Office of Legislative Research and General Counsel**

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**S.B. 141 - Aviation Fuel Tax Amendments**

**Revised  
Fiscal Note**

2009 General Session  
State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Businesses that purchase aviation fuel at an international airport located within a county of the first class will no longer be required to file for a refund of 1.5 cents per gallon on a tax of 4 cents per gallon. Instead, these air carriers will pay a tax of 2.5 cents per gallon. Locals governments and individuals are likely unaffected.

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