

SB

256

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/14/94

FURTHER:

DATE TURNED INTO OFFICE: 4-25-94

The Finance Committee considered **SENATE BILL NO. 256**

"An Act increasing the tax on transfers and consumption of aviation fuel."

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous _____ CS SB 256 (TRA)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
DOR	1/21/94		20.4 opt. 1,725.7 revenue

Appropriation No Fiscal Note

DO PASS:

Alvin R.

OTHER RECOMMENDATIONS:

~~no~~
J. K. ... No Rec.
... N. R.

1. _____
Co-Chair: Signature/Recommendation

2. ... No Rec
Co-Chair: Signature/Recommendation

CSSB 256(TRA) Fiscal Note Analysis

As stated in the purpose of the bill, the increased tax on aviation gasoline would result in an amount substantially comparable to the amount that would be derived from the reimposition of landing fees at rural state-operated airports. The Department of Revenue fiscal note for this bill estimates revenue of \$1,705,300 (after municipal revenue sharing is deducted).

Landing fees were halted in FY93 and the Department of Transportation and Public Facilities had included a request in the FY95 Governor's budget to decrease program receipts authorization for collection from landing fees and increase general funds to offset this amount (\$1,550,000). The FY95 operating budget as passed by the Senate deleted this \$1,550,000 in general funds from the contractual line of the highways and aviation maintenance budget. Passing CSSB 256(TRA) would allow that funding to be reinstated to the department's budget to provide for adequate maintenance and operations at the rural airports.

FISCAL NOTE

No. 1

Bill Version: SB 256

(S) Publish Date: 1-28-94

**STATE OF ALASKA
1994 LEGISLATIVE SESSION**

BILL N

Revision Date: _____ Dept. Affected: Revenue
 Title: Increase aviation fuel tax BRU: Revenue Operations/Shared Taxes
 Component: Income and Excise Audit/Aviation Fuel
 Sponsor: Senate Transportation
 Requestor: Senate Transportation COMPONENT SERIAL NO. 113/104

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	20.4	20.4	20.4	20.4	20.4	20.4
MISCELLANEOUS						
TOTAL OPERATING	20.4	20.4	20.4	20.4	20.4	20.4

CAPITAL						
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REVENUE FUND SOURCE: General	1,725.7	1,725.7	1,725.7	1,725.7	1,725.7	1,725.7
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	20.4	20.4	20.4	20.4	20.4	20.4
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	20.4	20.4	20.4	20.4	20.4	20.4

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary.)

(See Attached)

Changes in CS SB 256 (TRA)
 reflect **NO FISCAL CHANGE** from the original
 fiscal note. This fiscal note is appropriate.

1/27/94 R.A.S.
 Date Comptroller

Prepared by: Larry E. Meyers Phone: 465-2320
 Division: Income and Excise Audit Date: January 20, 1994
 Approved by Commissioner: Darrel J. Rexwinkel Date: January 20, 1994
 Agency: Department of Revenue

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This bill increases motor fuel tax rates on aviation fuel by .7¢ per gallon as follows.

	Current Tax Rate	Draft Bill Tax Rate	% Increase
Aviation Gasoline	4¢ per gallon	4.7¢ per gallon	17.5%
Aviation (Jet) Fuel	2.5¢ per gallon	3.2¢ per gallon	28.0%

In determining the amount of additional revenues generated from this bill, the Department of Revenue used aviation fuel consumption data available from FY 93. The amounts below do not reflect impacts on consumption, if any, due to increased tax rates and other factors.

Under AS 43.40.010(e), 60% of aviation gasoline tax revenues derived from fuel sales at municipally owned airports are shared with those municipalities. The Department shared \$116,800 of aviation gasoline tax revenues to municipalities in FY 93. Under this bill, that amount will increase by 17.5% (% increase identified above) or \$20,400.

The additional revenue generated from this bill is estimated to be \$1,705,300 calculated as follows.

	FY93 Consumption	FY 93 Revenue	Draft Bill Revenue	Additional Revenue
Aviation Gasoline	18,076,200 gallons	\$ 723,000	\$ 849,600	\$ 126,600
Aviation (Jet) Fuel	228,436,300 gallons	5,710,900	7,310,000	1,599,100
Total	246,512,500 gallons	6,433,900	8,159,600	1,725,700
Amount Shared		(116,800)	(137,200)	(20,400)
Total		\$6,317,100	\$8,022,400	\$1,705,300

April 27, 1994

Billy -

Attached are two copies of a DOPTF fiscal note that was requested of the department by Cam Toohey. He said it reflects intended use of the increased fuel tax, and it has been sent to rules for inclusion within floor packets for CSSB 256 (TRA)--the version of the bill Senate Finance reported out. Cam said he cleared the note through Senator Frank's office to cover budgetary concerns. We have collected the note for the new legislation section of the budget. Wanted to be certain both you and Senator Pearce are aware of this and have copies for your files.

Kathy
2618

FISCAL NOTE

Revision Date: 1/28/94 Department Affected: DOT&PF
 Title: An act relating to the tax on transfers and consumption of aviation fuel BRU: Statewide M&O
 Sponsor: Senate Transportation Committee Component: Highways & Aviation
 Requestor: Senate Transportation Component Serial Number: 1988

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	1,550.0	1,550.0	1,550.0	1,550.0	1,550.0	1,550.0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	1,550.0	1,550.0	1,550.0	1,550.0	1,550.0	1,550.0
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 GF	1,550.0	1,550.0	1,550.0	1,550.0	1,550.0	1,550.0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	1,550.0	1,550.0	1,550.0	1,550.0	1,550.0	1,550.0

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: \$0 _____

ANALYSIS: (Attach a separate page if necessary)

The FY95 Governor's budget directly used these revenues. The Senate version deleted this direct funding, necessitating the fiscal note to increase maintenance and operations funding if the revenue from the tax increase is to be used.

Prepared by: Ron B. Lind

Phone: 465-3911

Division: Administrative Services

Date: 4/27/94

Approved by Commissioner: [Signature]

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date:

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CSSB 256(TRA) Fiscal Note Analysis

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Mail Stop 3101

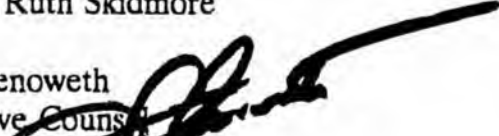
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 29, 1994

SUBJECT: Criticism of CSSB 256 (Transportation) (Work Order No. 8LS-150:AJ)

TO: Senator Bert Sharp, Chair
Senate Transportation Commission
ATTN: Ruth Skidmore

FROM: Jack Chenoweth
Legislative Counsel 

I have from your office a copy of the March 28 letter of Delta Air Lines in which the company objects to the proposed increase in the aviation fuel tax. The company's objection is grounded on its apparent understanding that the money is to pass into the state general fund in violation of "federal statutes that expressly prohibit the use of airport generated funds for non-aviation purposes." It extends the objection by asserting that "this tax, then, jeopardizes airport funding of federal Airport Improvement Program grants."

You have asked for my comments.

In one sentence, I think the company's criticism is wide of the mark.

First, while our state constitution requires that, with very few exceptions, state revenue may not be dedicated and requires that tax revenues be deposited into the general fund, upon deposit, under AS 43.40.010(e)--part of current law and not proposed to be changed by CSSB 256 (TRA)--the tax revenue collected on aviation fuel is to be credited to a specific account within the general fund:

(e) Sixty per cent of the proceeds of the revenue from the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, shall be refunded to a municipality owning and operating or leasing and operating an airport in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel shall be paid into a special

Senator Bert Sharp, Chair
March 29, 1994
Page 2

aviation fuel tax account in the state general fund. The legislature may appropriate funds from this account for aviation facilities.

While the legislature is free to use the balance of the special aviation fuel tax account as it may decide, at least nominally the revenue from the special aviation fuel tax is to be put back into aviation-related matters.

Second, taxes on sales of aviation fuel consumed or used in aircraft do not appear to be covered by an express prohibition against the use of airport generated funds for non-aviation purposes. 49 U.S.C. Appx. 1513 addresses state taxation of air commerce. Subsection (a) of the statute bars taxes, however denominated, "on persons traveling in air commerce or on the carriage of persons traveling in air commerce or on the sale of air transportation or on the gross receipts derived therefrom." Subsection (b) permits state collection of other taxes, including "property taxes, net income taxes, franchise taxes, and sales or use taxes on the sale of goods or services." The aviation fuel tax is, in form, a variant of a sales or use tax and would seem to be explicitly permitted by the federal statute cited.

Third, the company's reference to an express prohibition against the use of airport generated funds for non-aviation purposes, combined with the assertion that the tax jeopardizes airport funding of federal Airport Improvement Program grants, led me to look at 49 U.S.C. Appx 1513(e), permitting imposition of an emplacement fee on departing passengers for financing eligible airport-related projects and at 49 U.S.C. 2201 et seq., the Airport and Airway Improvement Act of 1982 as amended. I did not read in the provisions cited anything that speaks to a requirement that revenue derived from the taxes on sales of fuel must be limited to airport-related matters.

My conclusion would seem to find support in the March 29, 1991, Opinion of the Attorney General responding to an inquiry as to whether or not the state could extend its motor fuel tax to aviation fuel sold for use in international flights.

If the company provides a more specific basis for its objection and you should so request, I will give further consideration to your question in light of the additional information received.

JBC:gc
94-227.glc

Enclosure

MEMORANDUM

State of Alaska
Department of Law

TO: Steve Pavish
Statewide Leasing Coordinator
Department of Transportation
and Public Facilities

DATE: March 29, 1991

FILE NO.: 661-91-0443

TEL NO.: 269-5163

SUBJECT: Fuel tax on aviation
fuel for international
flights

FROM: Virginia A. Rusch *JAR*
Assistant Attorney General
Transportation Section, Anchorage

You have asked whether the State of Alaska could extend its motor fuel tax to aviation fuel sold within the state for use in international flights.

AS 43.40.010 now imposes a tax on motor fuel sold within the state of Alaska. For aviation fuel, the tax is four cents a gallon for gasoline and two and one-half cents a gallon for aviation fuel other than gasoline. AS 43.40.010(a)(1) and (3). By definition, however, "motor fuel" does not include "fuel sold for use in jet propulsion aircraft operating in flights to foreign countries." AS 43.40.100(2)(B). In a regulation implementing the motor fuel tax, a list of exemptions to the tax includes "fuel sold to, transferred to, or used on jet propulsion aircraft operating flights from the state to a foreign country, except flights to a foreign country with intermediate stops within the United States." 15 AAC 40.20(c)(13).

The legality of a state tax on aviation fuel for use in international flights was considered by the United States Supreme Court in the case of Wardair Canada, Inc., v. Florida Dept. of Revenue, 477 U.S. 1, 106 S. Ct. 2369, 91 L. Ed. 2d 1 (1986). There the court upheld Florida's tax on all aviation fuel sold in the state, including fuel used on international flights. The court rejected Wardair's arguments:

-- that the Commerce Clause of the U. S. Constitution reserved taxation of fuel used in international flights to the U.S. Congress;

-- that in the Federal Aviation Act, 49 U.S.C. App. 1301ff., the Congress had enacted an exclusive air commerce regulatory scheme which "occupied the field" and preempted any state taxation; and

-- that the bilateral agreement with Canada expressed a federal policy to preclude states from imposing individual taxes.

LEGISLATIVE RESOURCE DIVISION

In rejecting these arguments, the Supreme Court found that there was no evidence of a federal policy against state taxation. On the contrary, the court found an expression of an intent not to preclude state taxation. The court based this view on bilateral agreement language prohibiting national, but not state, taxation of fuel; and on 49 U.S.C. app. § 1513. 1/ This statute prohibits certain kinds of taxes on aviation, but specifically states that it does not preclude states from imposing taxes on goods and services for aviation. 2/

Wardair is a decision of the highest court of the land, and is still good law. It has not been overturned by any subsequent judicial ruling. ~~Not~~ has there been any amendment to 49 U.S.C. app. § 1513 which might support the conclusion that Congress has subsequently moved to preempt or "occupy the field" of taxation of fuel for international flights. Finally, I made a very informal inquiry to Courtney Railey, an AOCI staff member in Washington, D.C., who works extensively on bilateral agreements. She replied

1/ In pertinent part, this statute provides:

Sec. 1513 State taxation of air commerce

(a) No State . . . shall levy or collect a tax, fee, head charge, or other charge, directly or indirectly on persons travelling in air commerce or on the carriage of persons traveling in air commerce or on the sale of air transportation or on the gross receipts derived therefrom. . . .

(b) Except as provided in subsection (d) of this section, nothing in this section shall prohibit a State. . . . from the levy or collection of taxes other than those enumerated in subsection (a) of this section, including property taxes, net income taxes, franchise taxes, and sales or use taxes on the sale of goods or services; and nothing in this section shall prohibit a State. . . owning or operating an airport from levying or collecting reasonable rental charges, landing fees, and other service charges from aircraft operators for the use of airport facilities.

49 U.S.C.A. app. § 1513 (1976, 1990).

2/ In discussing this statute, the majority held that it alone was not dispositive. 106 S. Ct. at 2372. In a concurring opinion, however, Justice Burger expressed the opinion that this statute alone unequivocally authorizes the states to impose taxes of the kind you are considering. 106 S. Ct. at 2376.

Steve Pavish
Our File 661-91-0443

March 29, 1991
Page 3

that she is not aware of any discussion of fuel taxation ever being raised in recent bilateral agreement negotiations.

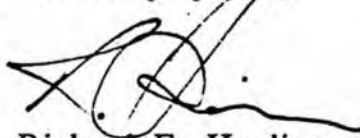
VAR/vc

Senator Bert Sharp
April 18, 1994
page two

In our discussions with Senators in support of SB 256, if necessary to fund airports, we have encountered a general resistance to tax increases this session. AACA generally agrees with this position, but in this case, failure to either fund the airport budget or to pass SB 256, will most likely result in the reimposition of landing fees: a tax which is expensive to collect and difficult to allocate fairly among air carriers.

Time is getting short to solve this dilemma. We strongly urge you to take quick action on either of the two solutions which will prevent a significant impediment to statewide aviation.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Richard E. Harding". The signature is stylized and somewhat cursive, with a prominent loop at the end.

Richard E. Harding
President

ALASKA AIR CARRIERS ASSOCIATION
1994 Board of Directors

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*Denotes Executive Committee

**ALASKA AIR CARRIERS ASSOCIATION
ACTIVE MEMBERS - 4/18/94**

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UYAK AIR SERVICE
WARD AIR
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MAPCO ALASKA PETROLEUM, INC.

A. L. Bukl Wright, Jr.
VICE PRESIDENT - ALASKA
(907) 488-2741

April 6, 1994

Senator Bert Sharp
State Capitol (MS 3100)
Juneau, AK 99701-1182

Dear Senator Sharp:

I am writing to express MAPCO's opposition to the passage of SB 256, raising the tax on jet fuel in Alaska.

The stated purpose of the bill is "to increase the tax on aviation gasoline (emphasis added) in an amount substantially comparable" to the amount needed to maintain the state's rural airports. It is interesting that, according to the state's position on the bill, of the projected \$1.7 million additional tax revenue collected, only \$126,600, or 7%, would be collected from aviation gasoline users - those who use the rural airports, and nearly \$1.6 million, or 93% of the total, would be collected from major carriers, who use only the major urban airports.

This increase in tax would place an unfair burden on the airline industry, at a time when many carriers are showing huge losses already. The spin off effect of the increase, I'm afraid, would be for the airlines to reduce their activity in Alaska. This would have a direct negative impact on those who provide fuel to the airlines here. Ironically, raising the tax on jet fuel at this time could trigger a significant reduction in tax revenues collected instead of an increase.

This is where the use of "bonded" fuel could come in.

You had asked for a more complete definition of "bonded" fuel, and its possible impact on Anchorage and Fairbanks if SB 256 were implemented. Although I must admit that I am not an expert on the topic, I think I can give you a good enough idea of the impact to our company and other refiners.

Bonded fuel is fuel that is purchased in a foreign (non U.S.) country, that is brought into the United States under bond, and that technically, by federal law, does not actually enter the country. Since it doesn't enter the United States, it doesn't enter Alaska jurisdiction. The state could not impose tax on something that isn't in its jurisdiction. Therefore, if an airline were to decide to bring in bonded fuel, the state would jeopardize not only the increase in tax envisioned in SB 256, but the 2.5 cpg tax already on the books.

SB 256
April 6, 1994
Page two

Bert, the apparent intent of this legislation is to have the major airlines operating in Alaska subsidize the small users of Alaska's rural airports. Those users would continue to pay little to nothing for the maintenance and upkeep of those airports.

The proposed amount of increase may, to some, appear small. But, in the airline fuel business, seven tenths of a cent is a very large amount of money, when annual fuel consumption is considered.

I would hate to see the state "shoot itself in the foot", and lose the aviation fuel tax currently on the books (because of the introduction of bonded fuel). Further, it would be disappointing for Alaska to, again, send the message that we want someone else to "pay our way".

Maybe a more worthwhile effort, although admittedly more difficult, might be to restore the dedicated fund for transportation infrastructure, so all monies collected for the use of our airports, roads and harbors would be used for maintaining those transportation systems.

I apologize for my delay in getting this to you. Since we last talked, I haven't slept in the same bed two nights in a row. I will be in Juneau Monday and Tuesday of next week, so maybe we can talk about this at that time. In the meantime, my secretary can contact me in short order if you need anything.

Thank you for the opportunity to comment on this very important issue.

Sincerely,



A. L. Buki Wright, Jr.
Vice President
MAPCO ALASKA PETROLEUM Inc.

ALW/jw



MAPCO ALASKA PETROLEUM INC.

MAR-29-94 TUE 14:44

DOT/PP COMMISSIONER

FAX NO. 9075868365

MAR-29-94 FRI 16:09 AIR DIRECTOR'S OFFICE

P. 01



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FAX (907) 243-0863

ALASKA INTERNATIONAL AIRPORT SYSTEM

FAX: (907) 243-0863

TEL: (907) 266-2525

TO: HELVI SANDVIK
ORGANIZATION: DOT + PP
FAX NUMBER: _____

FROM: JOHN UNGAR

DATE: _____

NUMBER OF PAGES OF TRANSMITTAL: 5
(Including fax page)

MESSAGE:

Attached is the memos I got from Steve Parish

Anchorage	posted	fuel	price	is	65.5¢	per	gallon
L. A	"	"	"	"	59.5¢	"	"
Gulf Coast	"	"	"	"	50.5¢	"	"
East Coast	"	"	"	"	57.0¢	"	"

These prices are approximates and change daily

**NATIONAL ASSOCIATION OF STATE AVIATION OFFICIALS
CENTER FOR AVIATION RESEARCH AND EDUCATION**

***1992 STATE AVIATION
TAX REVENUE REPORT***



**NASAO CENTER FOR AVIATION RESEARCH AND EDUCATION
METRO PLAZA ONE • SUITE 505 A • 8401 COLESVILLE ROAD • SILVER SPRING, MD 20910
(301) 495-2848 • FAX (301) 588-1288**

FUEL GENERATED REVENUES

ALABAMA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.038	100%*	\$121,867	Avgas	None	N/A	N/A
Jet A	\$0.017	100%*	\$731,201	Jet A	None	N/A	N/A
Mogas	None	N/A	N/A	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$853,068	

* Funds dedicated to aviation are capped at \$600,000.

ALASKA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.04	0%	\$787,504	Avgas	None	N/A	N/A
Jet A	\$0.023	0%	\$9,713,425	Jet A	None	N/A	N/A
Mogas	\$0.18	0%	\$20,129,944	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$30,630,873	

ARIZONA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.05	100%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.0305	0%	Not specified	Jet A	None	N/A	N/A
Mogas	\$0.05	100%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$551,698*	

* Figure represents Excise tax on Avgas and Mogas only.

ARKANSAS

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	None	N/A	N/A	Avgas	4%	Yes	Not specified
Jet A	None	N/A	N/A	Jet A	4%	Yes	Not specified
Mogas	None	N/A	N/A	Mogas	4%	No	Not specified
TOTAL AVIATION FUEL TAX REVENUE						\$2,172,973.78	

CALIFORNIA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.16	100%	\$5,295,926	Avgas	None	N/A	N/A
Jet A	\$0.02	100%	\$1,302,999	Jet A	7.25%	No	\$100,000,000
Mogas	\$0.09	0%	Not specified	Mogas	7.25%	No	Not specified
TOTAL AVIATION FUEL TAX REVENUE						Not specified	

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FUEL GENERATED REVENUES

COLORADO

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.06	100%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.04	100%	Not specified	Jet A	3%	Yes	\$7,483,000
Mogas	\$0.06	100%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$8,023,000	

CONNECTICUT

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	None	N/A	N/A	Avgas	2.5%	No	Not specified
Jet A	None	N/A	N/A	Jet A	2.5%	No	Not specified
Mogas	None	N/A	N/A	Mogas	2.5%	No	Not specified
TOTAL AVIATION FUEL TAX REVENUE						\$4,559,622	

DELAWARE

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.19	0%	Not specified	Avgas	None	N/A	N/A
Jet A	None	N/A	N/A	Jet A	None	N/A	N/A
Mogas	\$0.19	0%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						Not specified	

FLORIDA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.069	100%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.069	100%	Not specified	Jet A	None	N/A	N/A
Mogas	\$0.076	0%	\$462,100,000	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$509,300,000	

GEORGIA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.01	0%	\$74,010	Avgas	4%	No	\$296,040
Jet A	None	N/A	N/A	Jet A	4%	No	Not specified
Mogas	Not specified	Not specified	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						Not specified	

FUEL GENERATED REVENUES

HAWAII

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.01	100%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.01	100%	Not specified	Jet A	None	N/A	N/A
Mogas	None	N/A	N/A	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE							\$7,236,016

IDAHO

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.055	100%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.045	100%	Not specified	Jet A	None	N/A	N/A
Mogas	\$0.035	100%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE							\$768,100

ILLINOIS

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	None	N/A	N/A	Avgas	6.1%	No	Not specified
Jet A	None	N/A	N/A	Jet A	6.5%	No	Not specified
Mogas	None	N/A	N/A	Mogas	6.25%	No	Not specified
TOTAL AVIATION FUEL TAX REVENUE							\$94,288,500

INDIANA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.15	0%	Not specified	Avgas	5%	No	Not specified
Jet A	None	N/A	N/A	Jet A	5%	No	Not specified
Mogas	Not specified	Not specified	Not specified	Mogas	Not specified	Not specified	Not specified
TOTAL AVIATION FUEL TAX REVENUE							Not specified

IOWA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.08	0%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.03	0%	Not specified	Jet A	None	N/A	N/A
Mogas	\$0.20	0%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE							Not specified

FUEL GENERATED REVENUES

KANSAS

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	None	N/A	N/A	Avgas	4.25%	0%	Not specified
Jet A	None	N/A	N/A	Jet A	4.25%	0%	Not specified
Mogas	None	N/A	N/A	Mogas	4.25%	0%	Not specified
TOTAL AVIATION FUEL TAX REVENUE:							Not specified

KENTUCKY

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.15	0%	Not specified	Avgas	None	N/A	N/A
Jet A	None	N/A	N/A	Jet A	6%	No	Not specified
Mogas	None	N/A	N/A	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE:							Not specified

LOUISIANA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	None	N/A	N/A	Avgas	3%	Yes	Not specified
Jet A	None	N/A	N/A	Jet A	4%	Yes	Not specified
Mogas	\$0.20	0%	\$374,096,547	Mogas	3%	Yes	Not specified
TOTAL AVIATION FUEL TAX REVENUE:							\$8,600,000

MAINE

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.19	0%	Not specified	Avgas	6%	No	Not specified
Jet A	\$0.034	0%	Not specified	Jet A	None	N/A	N/A
Mogas	\$0.19	0%	Not specified	Mogas	6%	No	Not specified
TOTAL AVIATION FUEL TAX REVENUE:							Not specified

MARYLAND

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.07	0%	Not specified	Avgas	None	N/A	N/A
Jet A	None	N/A	N/A	Jet A	None	N/A	N/A
Mogas	\$0.185	0%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE:							\$505,627

FUEL GENERATED REVENUES

MASSACHUSETTS

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.10	80%	\$350,000	Avgas	None	N/A	N/A
Jet A	\$0.10	0%	Not specified	Jet A	None	N/A	N/A
Mogas	None	N/A	N/A	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE:							\$350,000

* Figure represents only Avgas tax.

MICHIGAN

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.03	100%	Not specified	Avgas	4%	No	Not specified
Jet A	\$0.03	100%	Not specified	Jet A	4%	No	Not specified
Mogas	None	N/A	N/A	Mogas	4%	No	Not specified
TOTAL AVIATION FUEL TAX REVENUE:							\$6,184,456

MINNESOTA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	*	100%	Not specified	Avgas	None	N/A	N/A
Jet A	*	100%	Not specified	Jet A	None	N/A	N/A
Mogas	*	100%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE:							\$3,200,000

* Sliding tax rate:
 0 - 49,999 gallons is \$0.05
 50,000 - 149,999 gallons is \$0.02
 150,000 - 199,999 gallons is \$0.01
 Over 200,000 is \$0.005

MISSISSIPPI

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.064	100%	\$405,100	Avgas	None	N/A	N/A
Jet A	\$0.0525	100%	\$663,100	Jet A	None	N/A	N/A
Mogas	\$0.01	100%	\$6,500	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE:							\$1,074,700

MISSOURI

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.09	100%	\$304,135	Avgas	None	N/A	N/A
Jet A	None	N/A	N/A	Jet A	4.225%	No	\$12,000,000
Mogas	None	0%	\$290,646,333	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE:							\$302,950,468

FUEL GENERATED REVENUES

MONTANA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.01	100%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.01	100%	Not specified	Jet A	None	N/A	N/A
Mogas	\$0.0004	100%	\$35,366	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE:						\$35,366	

NEBRASKA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.05	100%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.03	100%	Not specified	Jet A	None	N/A	N/A
Mogas	Not specified	Not specified	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE:						\$1,200,000	

* Figure represents Excise tax on Avgas and Jet A.

NEVADA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.18	100%	\$858,668	Avgas	None	N/A	N/A
Jet A	\$0.01	0%	\$2,203,079	Jet A	None	N/A	N/A
Mogas	None	N/A	N/A	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE:						\$3,061,747	

NEW HAMPSHIRE

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.04	0%	\$52,546	Avgas	None	N/A	N/A
Jet A	*	0%	\$102,479	Jet A	None	N/A	N/A
Mogas	None	N/A	N/A	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE:						\$155,025	

* \$0.025 excise tax on part 121 Air carriers, \$0.02 excise tax on all others.

NEW JERSEY

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.125	100%	\$602,179	Avgas	None	N/A	N/A
Jet A	\$0.02	100%	\$462,970	Jet A	None	N/A	N/A
Mogas	None	N/A	N/A	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE:						\$1,064,980	

FUEL GENERATED REVENUES

NEW MEXICO

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.16	100%	\$335,915	Avgas	None	N/A	N/A
Jet A	None	N/A	N/A	Jet A	*	Yes	\$545,493
Mogas	None	N/A	N/A	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE							\$881,408

* Sliding tax rate from 4.75% to 5.75% depending on the county in which the fuel is purchased.

NEW YORK

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.08	0%	Not specified	Avgas	"	No	Not specified
Jet A	\$0.10	0%	Not specified	Jet A	"	No	Not specified
Mogas	\$0.08	0%	Not specified	Mogas	"	No	Not specified
TOTAL AVIATION FUEL TAX REVENUE							Unknown

* Sliding tax rate from 4% to 8.25% depending on the county in which the fuel is purchased.

NORTH CAROLINA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	None	N/A	N/A	Avgas	4%	Yes	Not specified
Jet A	None	N/A	N/A	Jet A	4%	Yes	Not specified
Mogas	None	N/A	N/A	Mogas	4%	Yes	Not specified
TOTAL AVIATION FUEL TAX REVENUE							\$8,400,000

NORTH DAKOTA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.08	100%	\$244,680	Avgas	None	N/A	N/A
Jet A	\$0.08	100%	\$329,419	Jet A	None	N/A	N/A
Mogas	Not specified	Not specified	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE							\$574,099

* Figure represents Excise tax on Avgas and Jet A only.

OHIO

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	None	N/A	N/A	Avgas	5%	No	Not specified
Jet A	None	N/A	N/A	Jet A	5%	No	Not specified
Mogas	None	N/A	N/A	Mogas	Not specified	Not specified	Not specified
TOTAL AVIATION FUEL TAX REVENUE							\$5,000,000*

* Figure represents Sales tax on Avgas and Jet A only.

FUEL GENERATED REVENUES

OKLAHOMA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.0008	0%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.0008	0%	Not specified	Jet A	None	N/A	N/A
Mogas	\$0.0008	0%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$1,281,177	

OREGON

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.03	100%	\$153,589	Avgas	None	N/A	N/A
Jet A	\$0.005	100%	\$491,466	Jet A	None	N/A	N/A
Mogas	\$0.12	Not specified	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$645,155*	

* Figure represents the Excise tax on Avgas and Jet A only.

PENNSYLVANIA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.038	100%	\$249,000	Avgas	None	N/A	N/A
Jet A	\$0.02	100%	\$9,140,000	Jet A	None	N/A	N/A
Mogas	Not specified	0%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$9,389,000*	

* Figure represents the Excise tax on Avgas and Jet A only.

RHODE ISLAND

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.26	0%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.26	0%	Not specified	Jet A	None	N/A	N/A
Mogas	\$0.25	0%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						Not specified	

SOUTH CAROLINA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	None	N/A	N/A	Avgas	5%	No	\$675,000
Jet A	None	N/A	N/A	Jet A	None	N/A	N/A
Mogas	\$0.16	0%	\$364,000.00	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$675,000	

FUEL GENERATED REVENUES

SOUTH DAKOTA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.06	96%	\$150,000*	Avgas	None	N/A	N/A
Jet A	\$0.04	96%	\$360,000	Jet A	None	N/A	N/A
Mogas	\$0.06	96%	Above	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$510,000	

* Figure includes the \$0.06 per gallon tax on Mogas.

TENNESSEE

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.01	0%	Not specified	Avgas	4.5%	Yes	Not specified
Jet A	\$0.01	0%	Not specified	Jet A	4.5%	Yes	Not specified
Mogas	\$0.21	0%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$9,318,400*	

* Figure represents only revenue acquired from Sales tax.

TEXAS

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	None	N/A	N/A	Avgas	None	N/A	N/A
Jet A	None	N/A	N/A	Jet A	None	N/A	N/A
Mogas	None	N/A	N/A	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$0	

UTAH

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.04	100%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.04	100%	Not specified	Jet A	None	N/A	N/A
Mogas	\$0.04	100%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$6,900,000	

VERMONT

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.15	0%	\$96,275	Avgas	None	N/A	N/A
Jet A	None	N/A	N/A	Jet A	5%	No	\$142,126
Mogas	\$0.15	0%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$238,401*	

* Figure represents Avgas and Jet A only.

FUEL GENERATED REVENUES

VIRGINIA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	*	0%	Not specified	Avgas	None	N/A	N/A
Jet A	*	0%	Not specified	Jet A	None	N/A	N/A
Mogas	None	N/A	N/A	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$2,190,070	

* Sliding tax rate: Under 100,000 gallons, \$0.05 per gallon tax with 80% dedicated to aviation.
Over 100,000 gallons, \$0.005 per gallon tax with 50% dedicated to aviation.

WASHINGTON

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.06	100%	Not specified	Avgas	6.5%	No	Not specified
Jet A	\$0.06	100%	Not specified	Jet A	6.5%	No	Not specified
Mogas	\$0.06	100%	\$137,322	Mogas	6.5%	No	Not specified
TOTAL AVIATION FUEL TAX REVENUE						\$1,517,779*	

* Figure represents only the Excise taxes.

WEST VIRGINIA

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	None	N/A	N/A	Avgas	5%	Yes	Not specified
Jet A	None	N/A	N/A	Jet A	5%	Yes	Not specified
Mogas	None	N/A	N/A	Mogas	5%	No	Not specified
TOTAL AVIATION FUEL TAX REVENUE						\$341,000	

WISCONSIN

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.055 or 3%*	0%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.055 or 3%*	0%	Not specified	Jet A	None	N/A	N/A
Mogas	None	N/A	N/A	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$845,058*	

* \$0.055 or 3% depending on which is higher.
** Figure represents only the excise tax figures.

WYOMING

State Fuel Excise Taxes				Applied State Sales Taxes			
Fuel	Tax (Cents per gallon)	% Dedicated to Aviation	Total Revenue Generated (\$)	Fuel	Tax Percentage	Dedicated to Aviation	Total Revenue Generated (\$)
Avgas	\$0.05	80%	Not specified	Avgas	None	N/A	N/A
Jet A	\$0.05	80%	Not specified	Jet A	None	N/A	N/A
Mogas	\$0.08	0%	Not specified	Mogas	None	N/A	N/A
TOTAL AVIATION FUEL TAX REVENUE						\$256,000	



AIR TRANSPORT ASSOCIATION
Government Affairs
8939 S. Sepulveda Boulevard - Suite 408
Los Angeles, California 90045-3690
310/670-5183

March 23, 1994

The Honorable Drue Pearce
Co-Chairman, Senate Finance Committee
Alaska State Senate

Dear Chairman Pearce:

On behalf of the following Air Transport Association (ATA) members, Continental, Delta, Federal Express, UPS, Evergreen, Northwest, Hawaiian, American Trans Air, and United, this letter is to voice our opposition to Senate Bill 256. As we understand, two of our member airlines, Alaska and Reeve Aleutian, do not share this same view. As you know, SB 256 would increase the State's tax on aviation jet fuel from 2.5 cents to 3.2 cents on a gallon.

SB 256 raises the tax on aviation fuel by 28% at a time when our industry has suffered from record losses of \$10 billion over the last three years. It is disturbing to see the Alaska legislature increasing the cost of doing business in the state while other states, like New Mexico, have reduced taxes on aviation fuel by as much as 40%.

The ATA urges you to vote NO on SB 256. A tax increase of this nature is no way to move us closer to the mutually beneficial goal of increasing the number of flights to Alaska. A no vote will allow air carriers doing business in the State of Alaska to continue to provide the levels of service that allow the State's industry and commerce to grow.

If you have any questions please do not hesitate to contact me at (310) 670-5183.

Sincerely,

John Ek
Director, State Government Affairs
Western Region

DELTA AIR LINES, INC.

GENERAL OFFICES
HARTSFIELD ATLANTA INTERNATIONAL AIRPORT
ATLANTA, GEORGIA 30320-6001 U S A

March 23, 1994

The Honorable Drue Pearce
Co-Chairman
Senate Finance Committee
State Capitol
Juneau, AK 99801-1182

Dear Chairman Pearce:

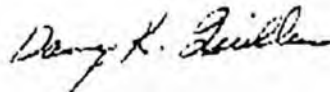
I would like to express Delta's concern with Senate Bill 256 and the detrimental potential it has to the economic development of Alaska.

SB 256 will increase the cost of fuel in Alaska by 28% at a time when interstate air carriers can least afford such a significantly increased expense. Over the last 3 years the airline industry has lost over \$10 billion. These losses have invoked serious cost cutting measures by Delta, and many states have supported our dilemma by decreasing fuel tax, as much as 40%, as incentives to help Delta maintain service to those states.

SB 256 will jeopardize the service that Delta provides to Alaska by forcing us to decrease our current service in order to maintain a cost effective operation. Also, the revenues generated by the "jet fuel" tax increase will go directly into the state's general funds and not provide the airlines with any type of guaranteed return on this investment. Because of this, Delta views this tax increase as a dissuasion for expanding any service in Alaska. This includes a route from Nagoya to New York via Anchorage which was suggested by Governor Hickel in a letter to Mr. Ron Allen, Chairman, President, and CEO of Delta, in August of 1993. Delta continues to monitor all markets for profitability; however, the passage of SB 256 will impede implementing any new service.

I urge you to vote against SB 256. Your help in this critical matter is greatly appreciated.

Sincerely,



Danny K. Quillen
Manager
Public Affairs

Alaska State Legislature

SENATOR
BERT SHARP
CHAIRMAN



FAIRBANKS
DENALI BANK BUILDING
119 N. CUSHMAN, SUITE 201
FAIRBANKS, ALASKA 99701
(907) 452-7885/7886

SESSION ADDRESS
STATE CAPITOL, ROOM 514
JUNEAU, ALASKA 99801-1182
(907) 485-3094/4921

Senate Transportation Committee

MEMORANDUM

DATE: March 21, 1994

TO: Senator Drue Pearce, Co-Chair
Senate Finance Committee

Senator Steve Frank, Co-Chair
Senate Finance Committee

FROM: Senator Bert Sharp *BMS*

RE: **Request for hearing -- CSSB 256**

I am requesting that CS for Senate Bill 256, "An Act relating to the tax on transfers and consumption of aviation fuel; and providing for an effective date," be heard before the Senate Finance Committee at your earliest convenience.

This bill was introduced by the Senate Transportation Committee at the request of the Department of Transportation and Public Facilities in response to legislative intent language in the FY 94 budget which discouraged the imposition of landing fees at rural airports. The \$.007 of an increase in the aviation fuel tax is an attempt to recover the revenue lost from this source. Language in the Senate Transportation Committee Substitute ties the increase in the fuel tax to the absence of rural airport landing fees. Therefore, if the administration decides to reinstate landing fees, the increase in the aviation fuel tax would be nullified.



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SB 256

APPROVED:

A handwritten signature in black ink, appearing to be "D. A. Bell", written over a horizontal line.

TITLE: Increase Aviation Fuel Tax

DATE: January 24, 1994

The Department of Transportation and Public Facilities supports the increase in the aviation fuel tax by \$0.007 (0.7 cents) per gallon.

This level of increase will offset the loss in state revenue resulting from not reinstating aircraft landing fees at rural airports operated by the state.

Last session, air carriers were contacted and asked if they would prefer reinstatement of the landing fees or collection of an equivalent amount of revenue through another means. While no firm commitment was made, the general feeling expressed was that an increase in the aviation fuel tax to collect an equivalent amount of revenue would be preferable.

The increased tax will be collected by the Department of Revenue in conjunction with the current tax level.

This bill increases motor fuel tax rates on aviation fuel by .7¢ per gallon as follows.

	<i>Current Tax Rate</i>	<i>Draft Bill Tax Rate</i>	<i>% Increase</i>
Aviation Gasoline	4¢ per gallon	4.7¢ per gallon	17.5%
Aviation (Jet) Fuel	2.5¢ per gallon	3.2¢ per gallon	28.0%

In determining the amount of additional revenues generated from this bill, the Department of Revenue used aviation fuel consumption data available from FY 93. The amounts below do not reflect impacts on consumption, if any, due to increased tax rates and other factors.

Under AS 43.40.010(e), 60% of aviation gasoline tax revenues derived from fuel sales at municipally owned airports are shared with those municipalities. The Department shared \$116,800 of aviation gasoline tax revenues to municipalities in FY 93. Under this bill, that amount will increase by 17.5% (% increase identified above) or \$20,400.

The additional revenue generated from this bill is estimated to be \$1,705,300 calculated as follows.

	<i>FY93 Consumption</i>	<i>FY 93 Revenue</i>	<i>Draft Bill Revenue</i>	<i>Additional Revenue</i>
Aviation Gasoline	18,076,200 gallons	\$ 723,000	\$ 849,600	\$ 126,600
Aviation (Jet) Fuel	228,436,300 gallons	5,710,900	7,310,000	1,599,100
Total	246,512,500 gallons	6,433,900	8,159,600	1,725,700
Amount Shared		(116,800)	(137,200)	(20,400)
Total		\$6,317,100	\$8,022,400	\$1,705,300

COMPONENT DETAIL - OPERATING BUDGET

nt: Interior District - Highways and Aviation
 Interior District Maintenance and Operations

Agency: Department of Transportation/Public Facilities

Line Items	Type	Total	Pers Svc	Travel	Contract	Supplies	Equip	Land/Bld	Grant	Misc	PFI	PPI	Imp
***** Changes from FY94 Gov Amd to Conference Committee *****													
airport electric contract	Dec	-20.0	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0.0	0	0	0

ive Intent: It is the intent of the legislature that Department of Transportation and Public Facilities should continue to provide adequate winter
 nce of the Denali Highway between Cantwell and the Valdez Creek Mine access road, with at least 50 percent of the expected service to be paid by industry or
 contributions.

Legislative Intent: It is the intent of the legislature that the Department of Transportation and Public Facilities not reinstate the landing fees at the rural
 airports and that the department submit for legislative consideration a supplemental appropriation next session to fund the resulting shortfall in program receipts.

ocation to the Department of Transportation and Public Facilities for Highways and Aviation shall lapse into the general fund on August 31, 1994.

***** Changes from FY94 Gov Amd to Senate *****													
sted reduction	Dec	-39.1	-39.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
airport electric contract	Dec	-20.0	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0.0	0	0	0
rimms PFI to PPI	Dec	-31.3	-31.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	1	0

Line Items - Funding Sources Type Total 1002 1004 1005 1007 1061

***** Changes from FY94 Gov Amd to Conference Committee *****													
airport electric contract	Dec	-20.0		-20.0									

***** Changes from FY94 Gov Amd to Senate *****													
sted reduction	Dec	-39.1		-39.1									
airport electric contract	Dec	-20.0		-20.0									
rimms PFI to PPI	Dec	-31.3		-31.3									

LEGISLATIVE INTENT LANGUAGE
 DOT&PF FY 94 OPERATING BUDGET

WALTER J. HICKEL, GOVERNOR

**DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES**

OFFICE OF THE COMMISSIONER

3132 CHANNEL DRIVE
JUNEAU, AK 99801-7898
PHONE: (907) 465-3900
FAX: (907) 586-3365
TEXT: (907) 465-3652

December 13, 1993

Senator Bert M. Sharp
119 N. Cushman Street, Suite 201
Fairbanks, AK 99701-2879

Representative Richard Foster
P.O. Box 1630
Nome, AK 99762-1630

Dear Senator Sharp and Representative Foster:

Enclosed are three proposed pieces of legislation which I would appreciate being introduced through the Transportation Committees in the next session:

AS 43.40.010

The increase in aviation fuel tax in the amount of \$.007/gallon is the result of the Legislative request to not assess landing fees on rural airports.

See the Legislative intent language contained in the DOT&PF-FY94 operating budget.

AS 38.05.030

This amendment simply makes airport property disposal consistent with highway property disposal. This is a housekeeping measure which should have been handled when DOT&PF was created -- it wasn't.

All property and right-of-ways are handled in one DOT&PF section and this housekeeping measure makes the operations consistent.

AS 19.05.040

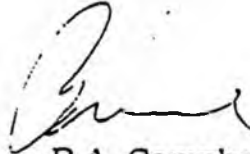
This minor addition to the statutes allows DOT&PF to enter property to determine if hazardous substances exist. This change is needed because DOT&PF has purchased property for right-of-way purposes only to find out that it is contaminated and the cost of cleanup exceeded the cost of moving the facility to avoid the contaminated area had that fact been known.

OT&PF with this change would be able to know, in advance of purchase, if property is contaminated.

There are two or three more items that are in the mill that will be transmitted later.

Please let me know if you have any questions or I can provide more data.

Sincerely,



B.A. Campbell
Commissioner

Enclosures

SENATE COMMITTEE REPORT

Handwritten initials

DATE: 1/28/94

FURTHER: Finance

DATE TURNED INTO OFFICE: 3/14/94

Judiciary Committee considered SENATE BILL NO. 256

~~"An Act increasing the tax on transfers and consumption of aviation fuel."~~

and recommends:

Handwritten note: & may be met w/ rpt. if H w/ no rec

- replace with _____ CS _____
- or adopt previous _____ CS SB 256 (TRA)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

- adopts _____ Letter of Intent
- further referral to the _____

- do pass
- do not pass
- no recommendation
- individual recommendations

Handwritten initials

NEW FISCAL NOTES

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
Revenue	1/27/94		✓

Appropriation No Fiscal Note

DO PASS:

OTHER RECOMMENDATIONS:

_____ 2) Daniel Dowley (Do Not Pass)

_____ Sumner Hill (No Rec)

_____ Paul Smith (No Rec)

Adrian Taylor NO Rec

Chair: Signature and Recommendation

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

JMR
DATE: 1/19/94

FURTHER: JUDICIARY
FINANCE

Date of 5-Day Notice: 1/19/94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 1-28-94

TRANSPORTATION Committee considered SB 256

"An Act increasing the tax on transfers and consumption of aviation fuel."

and recommends: **and recommends it be replaced with**

replace with _____ CS SB 256 (TRA)

attaches amendment(s) and report it back as follows

same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FN

FISCAL NOTE INFORMATION

SB&CS

Department	Date	Zero	Fiscal
REVENUE	1/20/94		1,725.7

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

OTHER RECOMMENDATIONS:

A (2) Tim Kelly - No Recommendation
(3) Kelly - Do Not Pass
(2) J. Kelly - No Rec

(1) [Signature] No Pass
Chair: Signature and Recommendation