

1 Introduced by Committee on Transportation

2 Date:

3 Subject: Aeronautics; taxation; fuel

4 Statement of purpose of bill as introduced: This bill proposes to:

5 (1) restructure the tax on aircraft fuel;

6 (2) establish specific reporting requirements related to the distribution,  
7 purchase, and use of aircraft fuel; and

8 (3) specify the permitted uses of aircraft fuel tax revenues.

9 An act relating to taxation of aircraft fuel

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. 23 V.S.A. chapter 28 is amended to read:

12 CHAPTER 28. ~~GASOLINE~~ MOTOR FUEL TAX

13 Subchapter 1. General ~~Gasoline~~ Motor Fuel Tax

14 § 3101. DEFINITIONS; SCOPE

15 (a) As used in this chapter:

16 (1) The term “distributor” as used in this subchapter shall mean a  
17 person, firm, or corporation who imports or causes to be imported gasoline or  
18 other motor fuel for use, distribution, or sale within the State, or any person,  
19 firm, or corporation who produces, refines, manufactures, or compounds  
20 gasoline or other motor fuel within the State for use, distribution, or sale.

1 When a person receives motor fuel in circumstances ~~which~~ that preclude the  
2 collection of the tax from the distributor by reason of the provisions of the  
3 Constitution and laws of the United States, and thereafter sells or uses the  
4 motor fuel in the State in a manner and under circumstances as may subject the  
5 sale to the taxing power of the State, the person shall be considered a  
6 distributor and shall make the same reports, pay the same taxes, and be subject  
7 to all provisions of this subchapter relating to distributors of motor fuel.

8 (2) “Dealer” means any person who sells or delivers motor fuel into the  
9 fuel supply tanks of motor vehicles or aircraft owned or operated by others.

10 (3) “Motor vehicle” means any self-propelled vehicle using motor fuel  
11 on the public highways and registered or required to be registered for operation  
12 on these highways.

13 (b) As used in this subchapter:

14 (1) “Aircraft fuel” includes aircraft jet fuel and aviation gasoline.

15 (2) ~~“gasoline~~ “Gasoline or other motor fuel” or “motor fuel” includes  
16 aircraft fuel and shall not include the following:

17 (A) kerosene, except for aircraft jet fuel;

18 (B) clear or undyed diesel “fuel” as defined in section 3002 of this  
19 title;

20 (C) “railroad fuel” as defined in section 3002 of this title, ~~aircraft jet~~  
21 ~~fuel;~~ or





1 (i) a motor fuel transportation infrastructure assessment that is the  
2 greater of:

3 (I) \$0.0396; or

4 (II) two percent of the tax-adjusted retail price upon each  
5 gallon of motor fuel sold by the distributor; and

6 (ii) a fuel tax assessment, which shall be used exclusively for  
7 transportation purposes and not be transferred from the Transportation Fund,  
8 that is the greater of:

9 (I) \$0.134 per gallon; or

10 (II) four percent of the tax-adjusted retail price or \$0.18 per  
11 gallon, whichever is less, upon each gallon of motor fuel sold by the  
12 distributor.

13 \* \* \*

14 ~~(4) The distributor shall also pay to the Commissioner the tax and~~  
15 ~~assessments specified in this subsection upon each gallon of motor fuel used~~  
16 ~~within the State by him or her.~~

17 \* \* \*

18 (e)(1) Each distributor shall also pay to the Commissioner a tax of \$0.28 on  
19 each gallon of aircraft fuel sold in this State.





1 Sec. 3. 19 V.S.A. § 11 is amended to read:

2 § 11. TRANSPORTATION FUND

3 The Transportation Fund shall comprise the following:

4 \* \* \*

5 (4) monies received from the sales and use tax ~~on aviation jet fuel and~~  
6 on natural gas used to propel a motor vehicle under 32 V.S.A. chapter 233;

7 \* \* \*

8 Sec. 4. 32 V.S.A. § 9741 is amended to read:

9 § 9741. SALES NOT COVERED

10 Retail sales and use of the following shall be exempt from the tax on retail  
11 sales imposed under section 9771 of this title and the use tax imposed under  
12 section 9773 of this title.

13 \* \* \*

14 (7)(A) Except as provided in subdivision (B) of this subdivision (7),  
15 sales of:

16 (i) motor fuels taxed or exempted under 23 V.S.A. chapter 28;

17 (ii) dyed diesel used to power machinery described in subdivision

18 (51) of this section; and

19 (iii) dyed diesel used to propel a vehicle off the highways of the

20 State.





1           (3) for the improvement of landing areas or facilities that are  
2 permanently established for the public use of aircraft ~~or in any other way that~~  
3 ~~will promote aviation in the State.~~

4           Sec. 7. EFFECTIVE DATE; TRANSITION PROVISION

5           (a) This act shall take effect on January 1, 2019.

6           (b) All 2018 sales and use tax returns and payments for aviation jet fuel  
7 pursuant to 32 V.S.A. § 9741(7)(B) shall be paid to the Department of Taxes  
8 on or before January 25, 2019.