

1 H.918

2 Introduced by Committee on Transportation

3 Date:

4 Subject: Aeronautics; taxation; fuel

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

6 (1) restructure the tax on aircraft fuel;

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

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

10 An act relating to taxation of aircraft fuel

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

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

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

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

15 § 3101. ~~DEFINITIONS;~~ SCOPE

16 (a) As used in this chapter:

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

1 gasoline or other motor fuel within the State for use, distribution, or sale.

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

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

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

14 (b) As used in this subchapter;

15 (1) "Aircraft fuel" includes aircraft jet fuel and aviation gasoline.

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

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

19 (B) clear or undyed diesel "fuel" as defined in section 3002 of this
20 title;

1 (2) With respect to any sale, use, consignment, or importation of aircraft
2 jet fuel or of aviation gasoline, a distributor shall separately record the same
3 information required under subdivision (1) of this subsection.

4 (3) The records and statements shall be preserved by distributors and
5 purchasers, respectively, for a period of three years, and shall be offered for
6 inspection upon verbal or written demand of the Commissioner or his or her
7 agent.

8 * * *

9 (d) A dealer shall keep a record of all purchases of motor fuel ~~which~~ that
10 shall include the date of purchase, the number of gallons, and the identity of
11 the seller, and, if applicable, shall separately record this information with
12 respect to the purchase of aircraft jet fuel or of aviation gasoline. The records
13 and statements shall be preserved for a period of three years. The record shall
14 include daily motor fuel meter readings.

15 § 3106. IMPOSITION, RATE, AND PAYMENT OF TAX

16 (a)(1) Except for sales of motor fuels between distributors licensed in this
17 State, which sales shall be exempt from the taxes and assessments authorized
18 under this section, and except for aircraft fuel, which shall be taxed as provided
19 in subsection (e) of this section, unless exempt under the laws of the United
20 States at the time of filing the report required by section 3108 of this title, each
21 distributor shall pay to the Commissioner:

1 (A) a tax of \$0.121 upon each gallon of motor fuel sold by the
2 distributor; and

3 (B) the following assessments:

4 (i) a motor fuel transportation infrastructure assessment that is the
5 greater of:

6 (I) \$0.0396; or

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

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

12 (I) \$0.134 per gallon; or

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

16 * * *

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

20 * * *

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

3 (2) Monies collected pursuant to this subsection shall be used
4 exclusively for aviation purposes consistent with 49 U.S.C. § 47133 and
5 Federal Aviation Administration regulations and policies.

6 (f) The distributor shall also pay to the Commissioner the taxes and
7 assessments specified in subsections (a) and (e) of this section upon each
8 gallon of motor fuel that the distributor uses within the State.

9 § 3106a. IMPOSITION, RATE, AND PAYMENT OF LICENSE FEE

10 ~~In~~ Except for aircraft fuel, in all cases where a distributor is required to pay
11 a tax under this chapter, the distributor shall also pay to the Commissioner in
12 the same manner and time the license fee, established under 10 V.S.A. § 1942,
13 of one cent per gallon upon each gallon of ~~such~~ the motor fuel sold by the
14 distributor in the State. The Commissioner shall deposit these license fees into
15 the Petroleum Cleanup Fund established by 10 V.S.A. chapter 59.

16 * * *

17 § 3108. RETURNS

18 For the purpose of determining the amount of the tax levied and assessed,
19 by the 25th day of each calendar month, each distributor shall send to the
20 Commissioner upon a form prepared and furnished by him or her a statement
21 or return under oath or affirmation, showing:

1 (1) both the number of gallons of motor fuel sold and the number of
2 gallons of motor fuel used by the distributor during the preceding calendar
3 month. ~~The report shall contain;~~

4 (2) separately, both the number of gallons of aircraft jet fuel sold and the
5 number of gallons of aircraft jet fuel used by the distributor during the
6 preceding calendar month;

7 (3) separately, both the number of gallons of aviation gasoline sold and
8 the number of gallons of aviation gasoline used by the distributor during the
9 preceding calendar month; and

10 (4) any further information ~~which~~ that the Commissioner prescribes.

11 * * *

12 Sec. 2. 23 V.S.A. § 1220a(b) is amended to read:

13 (b) The DUI Enforcement Special Fund shall consist of:

14 * * *

15 (3) beginning May 1, 2013 and thereafter, \$0.0038 per gallon of the
16 revenues raised by the motor fuel tax ~~on gasoline imposed by chapter 28~~ under
17 subdivision 3106(a)(1)(A) of this title; and

18 (4) any additional funds transferred or appropriated by the General
19 Assembly.

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 (B) ~~Aviation jet fuel and natural~~ Natural gas used to propel a motor
2 vehicle shall be taxed under this chapter with the proceeds to be allocated to
3 the Transportation Fund in accordance with 19 V.S.A. § 11.

4 * * *

5 Sec. 5. 10 V.S.A. § 1942 is amended to read:

6 § 1942. PETROLEUM DISTRIBUTOR LICENSING FEE; EXCEPTION

7 * * *

8 (c) All aircraft fuel, including jet fuel and aviation gasoline, is exempt from
9 the licensing fee under this section.

10 Sec. 6. 5 V.S.A. § 211 is amended to read:

11 § 211. APPROPRIATION FROM ~~GASOLINE TAXES~~ ON AIRCRAFT
12 FUEL

13 Funds appropriated from the proceeds of ~~the any tax on gasoline used in~~
14 ~~aircraft and capital development projects for aeronautical purposes are to~~
15 aircraft fuel, including jet fuel and aviation gasoline, shall be expended under
16 the direction of the Agency exclusively for aviation purposes consistent with
17 49 U.S.C. § 47133 and Federal Aviation Administration regulations and
18 policies, including to provide;

19 (1) navigational aids to airmen ~~or~~;

20 (2) marking, lighting, removal, or elimination of obstructions or hazards
21 to flight; and ~~to provide~~

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.