

# FISCAL NOTE

## SB 2820 - HB 2804

February 12, 1998

**SUMMARY OF BILL:** Repeals the special 4.5% aviation fuel tax and repeals the exemption for aviation fuel from the petroleum taxes, making such fuel subject to the 6% state sales tax as well as the 20¢ per gallon gasoline tax and the 17¢ per gallon diesel fuel tax.

### ESTIMATED FISCAL IMPACT:

**Increase State Revenues - Exceeds \$5,000,000/Transportation Equity Fund**  
- \$42,770,000/Highway Fund  
- \$490,000/General Fund  
**Increase Local Govt. Revenues - \$26,740,000**

Assumes that such aviation fuel would be subject to the 6% state sales tax in the absence of the special reduced rate, and that such aviation fuel tax represented approximately \$15,760,000 in tax revenues at the 4.5% rate in FY96-97. For informational purposes, the sales tax on aviation fuel is allocated to the Transportation Equity Fund, in the Department of Transportation.

Also assumes that the gasoline tax applied to such fuel would generate approximately \$70,000,000 to be apportioned to the General Fund, the Highway Fund and local governments. This estimate assumes approximately 350,000,000 gallons of aviation fuel are sold annually.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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