

House Bill 2431

Sponsored by Representative BEYER (at the request of Daniel E. Clem, Director, Oregon Department of Aviation)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases taxes on aircraft fuel used in turbo-prop and jet engines.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to aviation fuel taxes; creating new provisions; amending ORS 319.020 and 319.330; pre-
3 scribing an effective date; and providing for revenue raising that requires approval by a three-
4 fifths majority.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 319.020 is amended to read:

7 319.020. (1) Subject to subsections (2) to (4) of this section, in addition to the taxes otherwise
8 provided for by law, every dealer engaging in the dealer's own name, or in the name of others, in
9 the first sale, use or distribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehicle
10 fuel or aircraft fuel for sale, use or distribution within areas in this state within which the state
11 lacks the power to tax the sale, use or distribution of motor vehicle fuel or aircraft fuel, shall:

12 (a) Not later than the 25th day of each calendar month, render a statement to the Department
13 of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn
14 by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state
15 by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the
16 applicable license tax during the preceding calendar month.

17 (b) Except as provided in ORS 319.270, pay a license tax computed on the basis of 24 cents per
18 gallon on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used,
19 distributed or withdrawn as shown by such statement in the manner and within the time provided
20 in ORS 319.010 to 319.430.

21 (2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed
22 on the basis of nine cents per gallon of fuel so sold, used or distributed, except that when aircraft
23 fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distributed, the
24 tax rate shall be [*one cent*] **two cents** per gallon.

25 (3) In lieu of claiming refund of the tax paid on motor vehicle fuel consumed by such dealer in
26 nonhighway use as provided in ORS 319.280, 319.290 and 319.320, or of any prior erroneous payment
27 of license tax made to the state by such dealer, the dealer may show such motor vehicle fuel as a
28 credit or deduction on the monthly statement and payment of tax.

29 (4) The license tax computed on the basis of the sale, use, distribution or withdrawal of motor
30 vehicle or aircraft fuel shall not be imposed wherever such tax is prohibited by the Constitution or
31 laws of the United States with respect to such tax.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 **SECTION 2.** ORS 319.330 is amended to read:

2 319.330. (1) Whenever any statement and invoices are presented to the Department of Trans-
 3 portation showing that motor vehicle fuel or aircraft fuel has been purchased and used in operating
 4 aircraft engines and upon which the full tax for motor vehicle fuel has been paid, the department
 5 shall refund the tax paid, but only after deducting from the tax paid nine cents for each gallon of
 6 such fuel so purchased and used, except that when such fuel is used in operating aircraft turbine
 7 engines (turbo-prop or jet) the deduction shall be [*one cent*] **two cents** for each gallon. No deduction
 8 provided under this subsection shall be made on claims presented by the United States or on claims
 9 presented where a satisfactory showing has been made to the department that such aircraft fuel has
 10 been used solely in aircraft operations from a point within the State of Oregon directly to a point
 11 not within any state of the United States. The amount so deducted shall be paid on warrant of the
 12 Oregon Department of Administrative Services to the State Treasurer, who shall credit the amount
 13 to the State Aviation Account for the purpose of carrying out the provisions of the state aviation
 14 law. Moneys credited to the account under this section are continuously appropriated to the Oregon
 15 Department of Aviation.

16 (2) If satisfactory evidence is presented to the Department of Transportation showing that air-
 17 craft fuel upon which the tax has been paid has been purchased and used solely in aircraft oper-
 18 ations from a point within the State of Oregon directly to a point not within any state of the United
 19 States, the department shall refund the tax paid.

20 **SECTION 3. The amendments to ORS 319.020 and 319.330 by sections 1 and 2 of this 2009**
 21 **Act apply only to aircraft fuel usable in aircraft operated by turbine engine (turbo-prop or**
 22 **jet) that is sold, used or distributed on or after the effective date of this 2009 Act.**

23 **SECTION 4. This 2009 Act takes effect on the 91st day after the date on which the reg-**
 24 **ular session of the Seventy-fifth Legislative Assembly adjourns sine die.**

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