

# House Bill 3532

Sponsored by Representative BAILEY

## 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 aircraft fuel tax to 11 cents per gallon for aircraft fuels other than fuel usable by turbine engines. Directs revenue generated by increase in tax rate to be used for deferred maintenance of certain airports and operations of Oregon Department of Aviation.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to aircraft fuel; creating new provisions; amending ORS 319.020, 319.330 and 366.739; 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13 of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn  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. The dealer shall render the statement  
17 to the department in the manner provided by the department by rule.

18 (b) Except as provided in ORS 319.270, pay a license tax computed on the basis of 30 cents per  
19 gallon on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used,  
20 distributed or withdrawn as shown by such statement in the manner and within the time provided  
21 in ORS 319.010 to 319.430.

22 (2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed  
23 on the basis of *[nine cents]* **11 cents** per gallon of fuel so sold, used or distributed, except that when  
24 aircraft fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or dis-  
25 tributed, the tax rate shall be one cent per gallon.

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

30 (4) The license tax computed on the basis of the sale, use, distribution or withdrawal of motor

**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 vehicle or aircraft fuel may not be imposed wherever such tax is prohibited by the Constitution or  
2 laws of the United States with respect to such tax.

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

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

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

22 **SECTION 3.** Section 4 of this 2013 Act is added to and made a part of ORS chapter 836.

23 **SECTION 4.** (1) The Oregon Department of Aviation shall distribute in the manner pre-  
24 scribed in subsection (2) of this section:

25 (a) Any amount of tax on aircraft fuel, other than aircraft fuel usable in aircraft oper-  
26 ated by turbine engines, that is computed on a basis in excess of nine cents per gallon, under  
27 ORS 319.020 (2); and

28 (b) Any amount of tax on aircraft fuel, other than aircraft fuel usable in aircraft oper-  
29 ated by turbine engines, in excess of nine cents per gallon, that is deducted before the re-  
30 funding of tax under ORS 319.330 (1).

31 (2) The amounts described in subsection (1) of this section shall be used for the purposes  
32 of:

33 (a) Deferred maintenance of state-owned airports that are not federally funded; and

34 (b) Ongoing operations of the department.

35 **SECTION 5.** ORS 366.739 is amended to read:

36 366.739. Except as otherwise provided in ORS 366.744 and section 4 of this 2013 Act, the taxes  
37 collected under ORS 319.020, 319.530, 803.090, 803.420, 818.225, 825.476 and 825.480, minus \$71.2  
38 million per biennium, shall be allocated 24.38 percent to counties under ORS 366.762 and 15.57 per-  
39 cent to cities under ORS 366.800.

40 **SECTION 6.** (1) The amendments to ORS 319.020 by section 1 of this 2013 Act apply to  
41 aircraft fuel sold, used or distributed on or after the effective date of this 2013 Act.

42 (2) The amendments to ORS 319.330 by section 2 of this 2013 Act apply to fuel purchased  
43 and used in operating aircraft engines on or after the effective date of this 2013 Act.

44 **SECTION 7.** This 2013 Act takes effect on the 91st day after the date on which the 2013  
45 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.

