

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

**Bill Number: HB 2075 - B
Revenue Area: Aircraft Fuel Taxes
Economist: Mazen Malik
Date: 06-26-2015**

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Increases aircraft fuel taxes. Jet fuel, avgas and mo-gas by 2 cents each starting 1/1/2016 then sunsets the increase by 1/1/2022.

Revenue Impact (in \$Millions):

	BI 15-17	BI 17-19	BI 19-21
Avgas	\$0.08	\$0.12	\$0.12
Jet Fuel	\$5.20	\$7.43	\$7.61
Mo Gas	\$0.04	\$0.05	\$0.05
Total Revenue	\$5.32	\$7.61	\$7.77
Distributions and dedications			
Admin @ 5%	\$0.27	\$0.38	\$0.39
Grants Match 50%	\$2.53	\$3.61	\$3.69
Rural Air service 25%	\$1.26	\$1.81	\$1.85
Airport Safety&infra 25%	\$1.26	\$1.81	\$1.85

Impact Explanation:

The rate increase for the jet fuel, avgas and mo-gas takes effect on 1/1/2016 and sunsets on 1/1/ 2022. Establishes a mechanism for projects and grants to be funded, and delegates the funding to a review committee while introducing a prioritization criterion. The measure allows the department of aviation to use 5% of the revenue for administering these programs. 50% of the remaining revenue will be used for airport assistance and grant matches (including FAA matches). Grants for emergency preparedness according to the Oregon Resilience Plan, and grants for essential aviation services. Additionally it can be used for development with the priority for projects which bring in a bigger match. 25% of the revenue for commercial air service to rural Oregon, and the last 25% to state airports for safety and infrastructures projects. The measure finally requires robust and comprehensive reports every session and once in the interim.

Creates, Extends, or Expands Tax Expenditure: Yes No