

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
80th Oregon Legislative Assembly
2020 Regular Session
Legislative Revenue Office

Bill Number:	HB 4036 - A
Revenue Area:	Aviation Fuel Taxes
Economist:	Mazen Malik
Date:	02-26-2020

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

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Measure Description:

Modifies, adds and repeals laws relating to transportation. Increases Jet fuel tax to five cents, and aviation gasoline to 13 cents per gallon.

Revenue Impact (in \$Millions):

	BI 21-23	BI 23-25	BI 25-27
Increase of Four Cents by Jan, 1, 2022	\$ 15.12	\$ 22.29	\$ 24.31

Impact Explanation:

The measure eliminates sunset on temporary two-cent increases ((by HB 2075 of the 2015 session) in jet fuel and aviation fuel taxes that is scheduled to take effect on the last day December 2021. The sunset would have returned jet fuel tax rate to 1 cent per gallon, and aviation fuel to 9 cents per gallon. This measure also increases each type of fuel, effective January 1, 2022, an additional 2 cents. Thus, the total increase on January 1st, 2022 would be 4 cents to each fuel type to a total of 5 cents for Jet fuel, and 13 cents for aviation gas. The measure modifies grant programs administered by Oregon Department of Aviation and eliminates statutory prioritization of fund distributions for grant programs administered by State Board of Aviation. The sunset repeal is responsible for half of the increase in revenue. The increase takes effect 6 months into the 2021-23 biennium.

Creates, Extends, or Expands Tax Expenditure: Yes No