

REVENUE ESTIMATING CONFERENCE

TAX: aviation fuel tax
ISSUE: Capital City Aviation Fuel Tax Act
BILL NUMBER(S): SB 1500
SPONSOR(S): Senator Bennett
MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2010
DATE OF ANALYSIS: 3/25/10

SECTION 1: NARRATIVE

a. Current Law: Currently, Part III of Chapter 206, F.S., requires an aviation fuel tax of 6.9 cents per gallon is applied to all aviation fuel purchased in the state, except for aviation fuel placed in bond under the control of the Department of Treasury, U.S. Customs Service, or aviation fuel sold for use in aircraft owned by the Federal Government. All tax revenue collected from the sale of aviation fuel is deposited in the Fuel tax Collection Trust Fund and then transferred to the State Transportation Trust Fund monthly after deducting the service charges imposed by s. 215.20, F.S., the refunds granted pursuant to s. 206.9825 and s. 206.9855, F.S., and the administrative costs incurred by DOR.

Under s.206.9855, F.S., a carrier transporting persons or property for compensation or hire by air is entitled to receive a refund of the taxes imposed by this part of aviation fuel purchased by such carrier. The refund may not exceed 0.6 percent of the wages paid by the carrier to employees located or based within this state and who are covered by the provisions of chapter 443, F.S. Under s.206.9825, F.S., any licensed wholesaler or terminal supplier delivering aviation fuel to an air carrier offering transcontinental jet service and, after January 1, 1996, increasing the air carrier’s Florida workforce by more than 1000 percent and by 250 or more full-time equivalent employee positions, may receive a credit or refund as the ultimate vendor of the aviation fuel for the 6.9 cents excise tax previously paid, provided the air carrier has not facility for fueling highway vehicles from the tank in which the aviation fuel is stored.

b. Proposed Change:
 adds subsection 206.9825(7), F.S., to grant a quarterly refund of the aviation fuel excise tax on gallons of aviation fuel placed into an aircraft owned by a commercial airline while the aircraft is in Tallahassee, the state capital. To qualify the commercial airline must:

- Have a ticket counter presence in Tallahassee
- Have aircraft refueled in Tallahassee in connection with a flight that embarks or disembarks passengers, and lands in and takes off from Tallahassee.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

From September 1, 2008 to August 31, 2009, there are about 10 to 12 commercial airlines and aircrafts with total gallons of 4,107,475 pumped at the Tallahassee Airport.

- $\$0.069 * 4,107,475 = \$283,416$

The previous analysis estimated \$350,000 refund annually due to the proposed change

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Feb 2010 REC Transportation Conference growth rate for aviation fuel consumption

FY 2010	-8.2%	\$260,176		
FY 2011	3.4%	\$269,022	FY 2011 cash	\$201,767 (quarterly refund)
FY 2012	4.7%	\$281,666		
FY 2013	4.0%	\$292,933		
FY 2014	2.7%	\$300,842		

SECTION 4: PROPOSED FISCAL IMPACT

State Impact: All Funds	FY 2010-11 Cash	FY 2010-11 Annualized	FY 2011-12 Cash	FY 2012-13 Cash	FY 2013-14 Cash
High					
Middle	(\$0.2m)	(\$0.27m)	(\$0.28m)	(\$0.29m)	(\$0.3m)
Low					

SECTION 5: CONSENSUS ESTIMATE (ADOPTED 3/26/10) The conference adopted the proposed estimate.

	FY 2010-11 Cash	FY 2010-11 Annualized	FY 2011-12 Cash	FY 2012-13 Cash	FY 2013-14 Cash
General Revenue	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)	(Insignificant)
State Trust	(.2)	(.3)	(.3)	(.3)	(.3)
Total State Impact	(.2)	(.3)	(.3)	(.3)	(.3)
Total Local Impact	0	0	0	0	0
Total Impact	(.2)	(.3)	(.3)	(.3)	(.3)