

House Bill 2402

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Transportation Policy)

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 aviation fuel taxes increased by House Bill 2075 (chapter 700, Oregon Laws 2015), and makes increases and distributions of increased revenue permanent.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to aviation fuel; creating new provisions; amending ORS 319.020 and 319.330 and section
3 3, chapter 700, Oregon Laws 2015; repealing sections 6 and 8, chapter 700, Oregon Laws 2015;
4 prescribing an effective date; and providing for revenue raising that requires approval by a
5 three-fifths majority.

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

7 **SECTION 1.** Section 3, chapter 700, Oregon Laws 2015, is amended to read:

8 **Sec. 3.** (1) The amendments to ORS 319.020 by section 1 [*of this 2015 Act*], **chapter 700, Oregon**
9 **Laws 2015**, apply to aircraft fuel sold, used or distributed on or after January 1, 2016, and before
10 [*January 1, 2022*] **the effective date of this 2019 Act**.

11 (2) The amendments to ORS 319.330 by section 2 [*of this 2015 Act*], **chapter 700, Oregon Laws**
12 **2015**, apply to fuel purchased and used in operating aircraft engines on or after January 1, 2016, and
13 before [*January 1, 2022*] **the effective date of this 2019 Act**.

14 **SECTION 2.** ORS 319.020, as amended by section 4, chapter 700, Oregon Laws 2015, and section
15 41, chapter 750, Oregon Laws 2017, is amended to read:

16 319.020. (1) Subject to subsections (2) to (4) of this section, in addition to the taxes otherwise
17 provided for by law, every dealer engaging in the dealer's own name, or in the name of others, in
18 the first sale, use or distribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehicle
19 fuel or aircraft fuel for sale, use or distribution within areas in this state within which the state
20 lacks the power to tax the sale, use or distribution of motor vehicle fuel or aircraft fuel, shall:

21 (a) Not later than the 25th day of each calendar month, render a statement to the Department
22 of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn
23 by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state
24 by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the
25 applicable license tax during the preceding calendar month. The dealer shall render the statement
26 to the department in the manner provided by the department by rule.

27 (b) Except as provided in ORS 319.270, pay a license tax computed on the basis of 34 cents per
28 gallon on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used,
29 distributed or withdrawn as shown by such statement in the manner and within the time provided
30 in ORS 319.010 to 319.430.

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

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

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

12 **SECTION 3.** ORS 319.330, as amended by section 5, chapter 700, Oregon Laws 2015, is amended
 13 to read:

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

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

32 **SECTION 4.** (1) **The amendments to ORS 319.020 by section 2 of this 2019 Act apply to**
 33 **aircraft fuel sold, used or distributed on or after the effective date of this 2019 Act.**

34 (2) **The amendments to ORS 319.330 by section 3 of this 2019 Act apply to fuel purchased**
 35 **and used in operating aircraft engines on or after the effective date of this 2019 Act.**

36 **SECTION 5.** Sections 6 and 8, chapter 700, Oregon Laws 2015, are repealed.

37 **SECTION 6.** This 2019 Act takes effect on the 91st day after the date on which the 2019
 38 regular session of the Eightieth Legislative Assembly adjourns sine die.