

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: May have fiscal impact, but no statement yet issued

Revenue: May have revenue impact, but no statement yet issued

Action Date:

Action:

Meeting Dates:

Prepared By: Mazen Malik, Senior Economist

WHAT THE MEASURE DOES:

Increases aircraft fuel taxes by 4 cents for both Aviation gasoline, jet fuel and Mo-gas. Allows the department of Aviation to retain 5% of the revenue for administration. Establishes different allowable uses (seven different activities funded) for the new revenue.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

House Bill 2075 will raise aircraft fuel tax by four cents for both aviation gasoline (avgas) and aviation turbine fuel (jet fuel). Avgas and Mo-Gas will increase from nine cents to thirteen cents per gallon and jet fuel will increase from one cent to five cents per gallon and will be effective January 1st 2016. The Oregon Department of Aviation (ODA) will keep 5% for administration and distribute the remaining revenue from the increase in aircraft fuel tax as

1. 20% to for creating and maintaining commercial air service linking rural communities with commercial hubs.
2. 20% into 3 sub categories a) insurance for search and rescue, b) outfit airports as emergency resources, c) municipalities grants
3. 20% Aviation Economic Development.
4. 20% Used by local airports as a federal match.
5. 20% Maintenance and safety for local airports which don't receive federal funding.