

Department of Legislative Services  
Maryland General Assembly  
2016 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 870

(Senator Young)

Budget and Taxation

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Motor Fuel Tax - Aviation Gasoline - Definition

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This bill alters the definition of aviation gasoline under the motor fuel tax by specifying that aviation gasoline is gasoline that is intended to propel gasoline-powered aircraft and is (1) invoiced as aviation gasoline or (2) received, sold, stored, or withdrawn from storage by a person for the purpose of propelling gasoline-powered aircraft. Aviation gasoline is also defined as not including gasoline intended to propel a motor vehicle.

The bill takes effect July 1, 2016.

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Fiscal Summary

**State Effect:** The bill is not expected to materially impact motor fuel tax revenues. No effect on expenditures.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Current Law/Background:** Aviation gasoline is gasoline that is used to propel gasoline-powered aircraft and meets the aviation gasoline standards of specification D-910 of the American Society for Testing and Materials, as amended.

As of January 1, 2016, the per gallon motor fuel tax rate is equal to 32.6 cents (gasoline and clean-burning fuel), 33.35 cents (special fuel/diesel), and 7 cents (aviation and

turbine fuel). In recent years, an average of \$1.0 million in motor fuel taxes has been collected annually from purchases of aviation fuel.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 406 (Delegates Jameson and Folden) - Ways and Means.

**Information Source(s):** Comptroller's Office, Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 2016  
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Analysis by: Robert J. Rehrmann

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510