

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 54

(Senators Young and Waugh)

Budget and Taxation

Ways and Means

Motor Fuel Tax - Aviation Gasoline - Definition

This bill alters the definition of aviation gasoline under the motor fuel tax by specifying that aviation gasoline is gasoline that is used to propel gasoline-powered aircraft and is (1) invoiced as aviation gasoline or (2) received, sold, stored, or withdrawn from storage by a person for the purpose of propelling gasoline-powered aircraft.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 used to propel a motor vehicle.

The bill takes effect July 1, 2017.

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.

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 July 1, 2016, the per gallon motor fuel tax rate is equal to 33.5 cents (gasoline and clean-burning fuel), 34.25 cents (special fuel/diesel), and 7.0 cents (aviation and

turbine fuel). In recent years, an average of \$1 million in motor fuel taxes has been collected annually from purchases of aviation fuel.

Additional Information

Prior Introductions: HB 406 of 2016 received a favorable with amendments report from the House Ways and Means Committee, passed the House, and received a hearing in the Senate Budget and Taxation Committee, but no further action was taken. Its cross file, SB 870, a similar bill, received a hearing in the Senate Budget and Taxation Committee, but no further action was taken.

Cross File: HB 55 (Delegate Jameson, *et al.*) - Ways and Means.

Information Source(s): Comptroller's Office; Department of Legislative Services

Fiscal Note History: First Reader - January 16, 2017
fn/jrb Third Reader - February 21, 2017

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