



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #225

Aviation Fuel Petroleum Inspection Fee Refund Reestimate (Miscellaneous Appropriations)

Base Agency

CURRENT LAW

Purchasers of aviation fuel are eligible for a refund of the two cent per gallon petroleum inspection fee for each gallon of aviation fuel purchased in excess of 1,000,000 gallons per month. Eligible purchasers may submit a claim to the Department of Revenue not later than 12 months after the date of purchase. The refunds are paid from a sum sufficient appropriation from the segregated petroleum inspection fund under miscellaneous appropriations. The appropriation is estimated at \$360,000 annually. Midwest Airlines is the only airline that has submitted claims for refunds.

MODIFICATION

Reestimate the appropriation for aviation fuel petroleum inspection fund refund to airlines from \$360,000 to \$600,000 in each of 2007-08 and 2008-09, an increase of \$240,000 annually.

Explanation: The aviation fuel petroleum inspection fund refund payments to airlines have increased from an average of \$35,600 per month in 2004-05 to over \$50,000 per month in 2006-07. The reestimate assumes average monthly payments will continue at approximately the same rate as in 2006-07.

	Change to Bill Funding	Change to Base Funding
SEG	\$480,000	\$480,000

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