



Legislative Fiscal Bureau

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May 5, 2015

Joint Committee on Finance

Paper #491

Aviation Fuel Petroleum Inspection Fee Refund Reestimate (DNR -- Environmental Quality and Miscellaneous Appropriations)

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. The refunds are paid from a sum sufficient appropriation from the segregated petroleum inspection fund under miscellaneous appropriations. The appropriation is estimated at \$600,000 annually. Claims have been submitted for refunds by Midwest Airlines, Air Tran, Frontier Airlines, and Southwest Airlines. Southwest Airlines is the only airline that has submitted claims for aviation fuel purchases since March of 2013. Payments over the last three fiscal years have averaged less than \$300,000 annually.

MODIFICATION

Reestimate the appropriation for aviation fuel petroleum inspection fund refund to airlines from \$600,000 to \$300,000 in each of 2015-16 and 2016-17, a decrease of \$300,000 annually.

Explanation: The aviation fuel petroleum inspection fund refund payments to airlines have decreased from \$753,500 in 2007-08, when Midwest Airlines was the only claimant, to \$226,800 in 2013-14, when Southwest Airlines was the only claimant. The modification adjusts the estimated payments to the current approximately \$300,000 annual average.

Change to Bill	
SEG	- \$600,000

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