



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature  
Second Regular Session

Senate: FICO DPA 6-0-1-0 | 3<sup>rd</sup> Read 28-0-2-0-0

House: WM DP 10-0-0-0

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## **SB 1636: excise tax; jet fuel; definition**

**Sponsor: Senator Carroll, LD 28**

**House Engrossed**

### **Overview**

Expands the definition of *jet fuel*.

### **History**

*Jet fuel* is defined as crude oil or any fraction of crude oil which is liquid at 60 degrees Fahrenheit and 14.7 pounds per square inch absolute, and petroleum-based substances comprised of a complex blend of hydrocarbons derived from crude oil through processes of separation, conversion, upgrading and finishing, such as motor fuels, residual fuel oils, lubricants, petroleum solvents and used oils when these products are expressly manufactured and blended for the purpose of effectively and efficiently operating jet or turbine powered aircraft ([A.R.S. § 42-5351](#)).

An excise tax is levied on every person engaging or continuing in the business of the retail sale of jet fuel. The first 10 million gallons of jet fuel are taxed at a rate of 3.05 cents per gallon. From and after June 30, 1994, any amounts over 10 million gallons of jet fuel are not subject to tax ([A.R.S. § 42-5352](#)).

Jet fuel which is sold in Arizona to commercial airlines and used on flights which originate in Arizona and whose first outbound destination is outside the United States is exempt from the excise tax ([A.R.S. § 42-5354](#)).

### **Provisions**

1. Expands the definition of *jet fuel* to include:
  - a) an aviation turbine fuel that consists of conventional and synthetic blending components that can be used without the need to modify aircraft engines and existing fuel distribution infrastructure; and
  - b) jet fuels derived from coprocessed feedstocks at a conventional petroleum refinery. (Sec. 1)
2. Applies to taxable periods beginning on or after the first day of the month following the general effective date. (Sec. 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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