



State of Tennessee

PUBLIC CHAPTER NO. 477

SENATE BILL NO. 772

By Johnson, Kelsey, Rose, Akbari, Walley

Substituted for: House Bill No. 773

By Lamberth, Gant, White, Vaughan, Gillespie, Leatherwood, Parkinson, Chism, Thompson,
Camper, Miller

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, relative to aviation fuel taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-217, is amended by deleting the section and substituting instead:

(a) Notwithstanding other provisions of this chapter, tax imposed with respect to the sale, the use, the consumption, the distribution, and the storage of aviation fuel that is actually used in the operation of airplane or aircraft motors, shall be at the rate of four and one-quarter percent (4.25%).

(b)(1) For purposes of this section:

(A) "Air carrier" means any person, firm, corporation, or entity providing air transportation of passengers or property;

(B) "Tax year" means a period beginning on July 1 and ending on the following June 30; and

(C) "Transportation hub" means a location in this state from which there originates fifty (50) or more flight departures five (5) days per week for six (6) or more months during the calendar year and where passengers or property are regularly exchanged at the location between flights of the same or a different certificated or licensed air carrier.

(2) The tax imposed and remitted on a person's purchase, use, consumption, or storage of aviation fuel, pursuant to subsection (a), that is used in the operation of an aircraft of a certificated or licensed air carrier with a transportation hub within this state, shall not exceed the following:

(A) Eight million five hundred thousand dollars (\$8,500,000) for the period of July 1, 2021, through June 30, 2022; and

(B) Five million dollars (\$5,000,000) for any tax year occurring on or after July 1, 2022.

(3) The commissioner shall establish a process for applying the cap provided by this subsection (b).

(c) The transportation equity trust fund must be reimbursed for decreased aviation fuel tax revenue resulting from any public act passed by the general assembly after January 1, 2021, in an amount equal to the estimated decrease in tax revenue as reflected in the fiscal note prepared for such legislation by the fiscal review committee in accordance with § 3-2-107. Any reimbursement to the transportation equity trust fund in accordance with this subsection (c) must be made from the general fund, subject to appropriation by the general assembly in the annual general appropriations act.

(d) On or before December 31 each year, the department of finance and administration shall report in writing to the chairs of the finance, ways and means committees of the senate and the house of representatives, the chair of the transportation committee of the house of representatives, and the chair of the transportation and safety committee of the senate, the total amount of tax revenues collected pursuant to this section for the preceding fiscal year.

SECTION 2. This act takes effect July 1, 2021, the public welfare requiring it.


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PASSED: May 3, 2021


RANDY McNALLY
SPEAKER OF THE SENATE


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 18th day of May 2021


BILL LEE, GOVERNOR