

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 763 Session of 2023

INTRODUCED BY GALLAGHER, GIRAL, SANCHEZ, MADDEN, BURGOS, NEILSON AND KINSEY, MARCH 30, 2023

REFERRED TO COMMITTEE ON TRANSPORTATION, MARCH 30, 2023

AN ACT

1 Amending Title 74 (Transportation) of the Pennsylvania  
 2 Consolidated Statutes, in aviation development, further  
 3 providing for tax on aviation fuels and for tax on jet fuels.

4 The General Assembly of the Commonwealth of Pennsylvania  
 5 hereby enacts as follows:

6 Section 1. Sections 6121 and 6131 of Title 74 of the  
 7 Pennsylvania Consolidated Statutes are amended to read:

8 § 6121. Tax on aviation fuels.

9 (a) Imposition.--There is hereby imposed, [effective July 1,  
 10 1984, an additional State tax of 1.5¢ per gallon] effective July  
 11 1, 2023, a State tax of 6¢ per gallon, or fractional part  
 12 thereof, on all fuels used or sold and delivered by distributors  
 13 within this Commonwealth for use as fuel in propeller-driven  
 14 piston aircraft or aircraft engines as provided for in the act  
 15 of May 21, 1931 (P.L.149, No.105), known as The Liquid Fuels Tax  
 16 Act.

17 (b) [Annual adjustment.--Beginning on January 1, 1985, and  
 18 each January 1 thereafter, the tax imposed under this section

1 shall be adjusted annually and shall be set for that calendar  
2 year. The adjustment shall be based upon the percentage change  
3 of the Producer Price Index for Jet Fuel, as determined by the  
4 Bureau of Labor Statistics for the United States Department of  
5 Labor for the most recent 12-month period available as of the  
6 immediately preceding November 1. For every 10% increase or  
7 decrease in the Producer Price Index, there shall be a 0.1¢ per  
8 gallon, or fractional part thereof, increase or decrease in the  
9 rate of tax. The rate of tax shall be determined by the  
10 Secretary of Revenue, who shall cause such rate to be published  
11 as a notice pursuant to 45 Pa.C.S. § 725(a)(3) (relating to  
12 additional contents of Pennsylvania Bulletin) in the  
13 Pennsylvania Bulletin on or before December 15 of each year. The  
14 tax, as adjusted, shall never exceed 6¢ per gallon, or  
15 fractional part thereof, nor shall it be less than 3¢ per  
16 gallon, or fractional part thereof.] (Reserved).

17 (c) Construction of section.--This section shall be  
18 construed in conjunction with The Liquid Fuels Tax Act, which  
19 shall apply to the collection, administration and enforcement of  
20 the tax imposed under this section.

21 § 6131. Tax on jet fuels.

22 (a) Imposition.--There is hereby imposed, effective July 1,  
23 1984, a State tax of 1.1¢ per gallon, or fractional part  
24 thereof, on all fuels used or sold and delivered by distributors  
25 within this Commonwealth for use as fuel in turbine-propeller  
26 jet, turbojet and jet-driven aircraft and aircraft engines. The  
27 tax shall be increased by 0.2¢ per gallon, or fractional part  
28 thereof, effective January 1, 1985, and by 0.2¢ per gallon, or  
29 fractional part thereof, effective July 1, 1985, and by 0.5¢ per  
30 gallon, or fractional part thereof, effective July 1, 2023.

1 Distributors shall be liable to the Commonwealth for the  
2 collection and payment of the tax imposed by this section. The  
3 tax shall be collected by the distributor and shall be paid to  
4 the Commonwealth only once with respect to any fuels.

5 (b) [Annual adjustment.--Beginning on January 1, 1986, and  
6 each January 1 thereafter, the tax imposed under this section  
7 shall be adjusted annually and shall be set for that calendar  
8 year. The adjustment shall be based upon the percentage change  
9 of the Producer Price Index for Jet Fuel, as determined by the  
10 Bureau of Labor Statistics for the United States Department of  
11 Labor, for the most recent 12-month period available as of the  
12 immediately preceding November 1. For every 10% increase or  
13 decrease in the Producer Price Index, as determined by comparing  
14 the index for the first month of the 12-month period with the  
15 index for the last month of the period, there shall be a 0.1¢  
16 per gallon, or fractional part thereof, increase or decrease in  
17 the rate of tax. The rate of tax shall be determined by the  
18 Secretary of Revenue, who shall cause such rate to be published  
19 as a notice pursuant to 45 Pa.C.S. § 725(a)(3) (relating to  
20 additional contents of Pennsylvania Bulletin) in the  
21 Pennsylvania Bulletin on or before December 15 of each year. The  
22 tax, as adjusted, shall never exceed 2¢ per gallon, or  
23 fractional part thereof, nor shall it be less than 1.5¢ per  
24 gallon, or fractional part thereof.] (Reserved).

25 (c) Construction of section.--This section shall be  
26 construed in conjunction with the act of May 21, 1931 (P.L.149,  
27 No.105), known as The Liquid Fuels Tax Act, as if jet fuels were  
28 liquid fuels as defined in that act, and all of the provisions  
29 of that act, except for section 4 thereof to the extent it  
30 imposes any tax, shall apply to the collection, administration

1 and enforcement of the tax imposed under this section. Upon the  
2 effective date of the tax imposed by this section upon jet  
3 fuels, such jet fuels shall not be subject to the tax imposed by  
4 the act of January 14, 1952 (1951 P.L.1965, No.550), known as  
5 the Fuel Use Tax Act, except that dealer-users shall remain  
6 liable to report and pay the fuel use tax on any jet fuels used  
7 thereafter upon which the tax provided by this section has not  
8 been imposed.

9 (d) Disposition of taxes.--All moneys collected under this  
10 section shall be deposited by the State Treasurer in the  
11 Aviation Restricted Account.

12 Section 2. This act shall take effect immediately.