

FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

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BILL #: [HB 1485](#)

TITLE: Tax On Aviation Fuel

SPONSOR(S): Basabe

COMPANION BILL: None

LINKED BILLS: None

RELATED BILLS: None

Committee References

[Ways & Means](#)

12 Y, 5 N

[Economic Infrastructure](#)

[Budget](#)

SUMMARY

Effect of the Bill:

HB 1485 eliminates the excise tax on aviation gasoline, aviation turbine fuels and kerosene by repealing Part III of Chapter 206, F.S., which governs the taxation of aviation fuel, including definitions, tax rate, refunds for certain air carriers, administration, price disclosure, distribution of proceeds, air carrier registration and reporting, and federal exemption of taxes.

Fiscal or Economic Impact:

The Revenue Estimating Conference has not estimated the revenue impacts of this bill. Staff estimates the bill will have a recurring impact of -\$22.8 million on the State Transportation Trust Fund, and -\$2.0 million on General Revenue, beginning in FY 2025-26.

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ANALYSIS

EFFECT OF THE BILL:

The bill eliminates the excise tax on aviation gasoline, aviation turbine fuels and kerosene. It does this by repealing Part III of Chapter 206, Florida Statutes. Part III is made up of the following statutes: [s. 206.9815, F.S.](#), [s. 206.9825, F.S.](#), [s. 206.9826, F.S.](#), [s. 206.9835, F.S.](#), [s. 206.9837, F.S.](#), [s. 206.9845, F.S.](#), [s. 206.9855, F.S.](#), [s. 206.9865, F.S.](#) and [s. 206.9875, F.S.](#) These statutes establish an excise tax of 4.27 cents per gallon of aviation fuel. It also provides for the administration of the tax including aviation fuel dealer requirements, distribution of proceeds, refunds, aviation fuel tax licensing requirements, and an exemption for aviation fuel purchased by the US government. (Section [1](#))

The bill amends [s. 163.3206\(2\)\(a\), F.S.](#), relating to fuel terminal infrastructure, to remove a reference to the definition of "aviation fuel" in [s. 206.9815, F.S.](#), which is deleted by section [1](#) of the bill. The reference is replaced with the same definition of the term in [s. 163.3206\(2\)\(a\), F.S.](#) (Section [2](#))

The bill makes conforming changes to statutes containing references to the repealed provisions. (Sections [3](#), [4](#), [5](#), [6](#), [7](#), [8](#), and [9](#))

This act takes effect July 1, 2025. (Section [9](#))

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The Revenue Estimating Conference has not estimated the revenue impacts of this bill. Staff estimates the bill will have a recurring impact of -\$22.8 million on the State Transportation Trust Fund, and -\$2.0 million on General Revenue, beginning in FY 2026-26.

STORAGE NAME: h1485a.WMC

DATE: 4/2/2025

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Florida Law

Florida law imposes an excise tax of 4.27 cents on every gallon of aviation fuel sold in the state or brought into the state for use.¹ Aviation fuel is defined as “fuel for use in aircraft, and includes aviation gasoline and aviation turbine fuels and kerosene, as determined by the American Society for Testing Materials specifications D-910 or D-1655 or current specifications.”²

In 2018, the Legislature reduced the excise tax on aviation fuel from 4.27 cents per gallon to 2.85 cents per gallon for aviation fuel paid by an air carrier who conducts scheduled operations or all-cargo operations that are authorized under 14 C.F.R. parts 121, 129, or 135. The tax reduction is available only through a refund of previously paid taxes. The purchaser must pay the 4.27 cents per gallon tax at the time of purchase and request a refund of 1.42 cents per gallon. The refund provided under this section plus the refund provided under [s. 206.9855, F.S.](#), related to wages paid by air carriers to employees located or based within Florida may not exceed 4.27 cents per gallon of aviation fuel purchased by an air carrier.

The Transportation Revenue Estimating Conference reported \$63 million in gross revenue from the aviation fuel excise tax in Fiscal Year 2023-24. After \$35.7 million in refunds were distributed and \$2.4 million in administrative fees and service charges were deducted, \$24.9 million was transferred to the State Transportation Trust Fund.³

The Department of Transportation’s Aviation Grant Program is mainly funded by the State Transportation Trust Fund, with contributions from the aviation industry through Florida’s aviation fuel tax. Aviation fuel tax contributes 0.9% of the fuel-related revenue deposited into the State Transportation Trust Fund. Aviation Fuel is specifically earmarked to fund airport projects. Department of Transportation Aviation Grant Allocations for FY 2025-26 are estimated to be \$243 million.⁴

Federal Law

The Federal Aviation Administration (FAA) is the agency within the United States Department of Transportation (USDOT) that, among other things, regulates the air transportation system in the United States.⁵ Title 14 of the Code of Federal Regulations, in part, provides the licensing, certification, and operational specifications for all aviation activities in the United States. Federal regulations define “air carrier” to mean a person who undertakes directly by lease, or other arrangement, to engage in air transportation. Part 121 provides the operating requirements for domestic, flag, and supplemental operations. Part 125 provides for the certification and operation requirements for airplanes having a seating capacity of 20 or more passengers or a maximum payload capacity of 6,000 pounds or more; part 125 also provides rules governing person on board such aircrafts. Part 135 provides the operating requirements for commuter and on-demand operations and rules governing persons on board such aircrafts.

The FAA imposes certain restrictions on the uses of revenues for airport operators that accept Federal assistance.⁶ Generally, revenues from state and local taxes on aviation fuel may only be used for certain aviation-related

¹ [s. 206.9825, F.S.](#)

² [s. 206.9815, F.S.](#)

³ Florida Office of Economic and Demographic Research, *Revenue Estimating Conference – Revenues to State Transportation Trust Fund*, 6 (March 2025), available at <https://edr.state.fl.us/Content/conferences/transportation/Transresults.pdf> (last visited March 15, 2025).

⁴ Florida Department of Transportation, *Florida’s Transportation Tax Sources, A Primer* (2025), available at <https://fdotewp1.dot.state.fl.us/FMSupportApps/Documents/primer/Primer.pdf> (last visited March 15, 2025).

⁵ USDOT, Administrations, available at: <http://www.dot.gov/administrations> (last visited Feb. 15, 2018).

⁶ 49 U.S.C. §§ 47107(b) and 47133; Public Laws No. 97-248 and 100-223.

purposes such as airport operating costs, or in the case of state taxes, a “state aviation program.”⁷ However, the revenue from state and local taxes on aviation fuel which were in effect prior to December 30, 1987, is considered “grandfathered” and is eligible for use for otherwise impermissible expenditures.⁸ On November 7, 2014, the FAA clarified its interpretation of the federal requirements for the use of revenue derived from taxes on aviation fuel, and requested each state to validate compliance with this FAA regulation.⁹ On April 26, 2016, the Florida Department of Transportation validated the state’s compliance with the FAA regulation.¹⁰

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Ways & Means Committee	12 Y, 5 N	4/2/2025	Aldridge	Hallaian
Economic Infrastructure Subcommittee				
Budget Committee				

⁷ “State aviation program” is not defined, but generally refers to state programs that support capital improvements or operating costs of airports; FAA, Policy and Procedures Concerning the use of Airport Revenue: Proceeds from Taxes on Aviation Fuel, 79 FR 66282, available at: https://www.faa.gov/airports/resources/publications/federal_register_notices/ (last visited Feb. 15, 2018).

⁸ Dec. 30, 1987, is the “grandfather” deadline because The Airport and Airway Safety and Capacity Expansion Act of 1987, Public Law 100–223, passed on that date, which first required state and local taxes on aviation fuel to be spent on airport-related purposes.

⁹ FAA, Policy and Procedures Concerning the use of Airport Revenue: Proceeds from Taxes on Aviation Fuel, 79 FR 66282, available at: https://www.faa.gov/airports/resources/publications/federal_register_notices/ (last visited Feb 15, 2018).

¹⁰ Florida DOT, correspondence from FDOT State Aviation Manager to FAA Director of Office of Airport Compliance and Management Analysis, April 26, 2016, on file with House Ways & Means Committee.