

ASSEMBLY TRANSPORTATION AND INDEPENDENT  
AUTHORITIES COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 4392**

with committee amendments

**STATE OF NEW JERSEY**

DATED: OCTOBER 18, 2018

The Assembly Transportation and Independent Authorities Committee reports favorably and with committee amendments Assembly Bill No. 4392.

As amended and reported, this bill eliminates a tax exemption that airlines receive on their use of aviation fuel and provides funding needed to complete the Port Authority Trans-Hudson Corporation (PATH) rail service extension to Newark Liberty International Airport and other airport capital projects that qualify as federally permitted uses of revenue from the taxation of aviation fuel used by airlines.

Currently, commercial airlines are exempt from taxation on interstate and foreign flights except for that portion of aviation fuel that is used in “burnout,” during taxiing and take-off. This bill taxes the entire receipts from the sale of aviation fuels used by all airlines at the rate of four cents per gallon, except for circumstances where the aviation fuels are consumed by a commercial airline at an airport in the State with fewer than 20,000 scheduled commercial passenger flights per year.

As amended, Assembly Bill No. 4392 is identical to Senate Bill No. 2892 (2R), which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS

The committee amended the bill to remove the exemption for commercial airlines that were not qualifying airlines, thereby subjecting all aviation fuel sales to the full four cents per gallon rate, except in circumstances where the aviation fuels are consumed by a commercial airline at an airport in the State with fewer than 20,000 scheduled commercial passenger flights per years. The committee amended the bill to allow for federally permitted airport capital projects to be funded with aviation fuel tax revenue in addition to the PATH rail service extension project, rather than dedicating these revenues to the airport safety fund after payment for the PATH rail service extension project. The committee also amended the bill to provide proper reference to “Port Authority Trans-Hudson Corporation rail service.”