

## Aviation Fuel Tax

### Aviation Fuel Tax Rate Decrease

Public Chapter 477 (2021), effective July 1, 2021, reduces the aviation fuel tax rate to 4.25%. The aviation fuel tax applies to the sale, use, consumption, distribution, and storage of aviation fuel that is used in the operation of an airplane or aircraft motor.

### Aviation Fuel Tax Cap Lowered for Transportation Hubs Located in Tennessee

Pub. Ch. 477 lowers the cap on aviation fuel tax remittance for licensed air carriers with a transportation hub within this state. The cap, previously set at \$10,500,000, is reduced to \$8,500,000 for the July 1, 2021 through June 30, 2022 tax year and \$5,000,000 for tax years occurring thereafter.

### Transportation Hub Definition

Air carriers, defined as businesses providing air transportation of passengers or property, must have a transportation hub in this state to qualify for the aviation fuel tax cap. Transportation hub is defined as:

- 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.

### For More Information

Visit [www.tn.gov/revenue](http://www.tn.gov/revenue). Click on Revenue Help to search for answers or to submit an information request to one of our agents.

### References

Tenn. Code Ann. § 67-6-217. Pub. Ch. 477 (2021).