Aviation Fuel Tax Notice

Notice #23-13 May 2023

Aviation Fuel Tax

Aviation Fuel Tax Cap Lowered in Tennessee

Public Chapter 455 (2023), effective May 17, 2023, lowers the aviation fuel tax cap.

This legislation lowers the cap on aviation fuel tax remittance for aviation fuel used in the operation of a commercial aircraft by a certified or licensed air carrier with a transportation hub within Tennessee. The cap was previously set at $8,500,000 for the July 1, 2021, through June 30, 2022, tax year and $5,000,000 for tax years occurring thereafter.

Pub. Ch. 455 states the cap remains at $5,000,000 until June 30, 2023, and further lowers the cap to $3,000,000 for the period of July 1, 2023, through June 30, 2024, and $1,000,000 for a tax year occurring on or after July 1, 2024.

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. Click on Revenue Help to search for answers or to submit an information request to one of our agents. Additional information is also available in the Department's Sales and Use Tax Manual.

References

Tenn. Code Ann. § 67-6-217. Pub. Ch. 455 (2023).

Disclaimer: The information provided here is current as of the date of publication but may change as a result of new statutes, regulations, or court decisions. While this notice is intended to be comprehensive, events and situations unanticipated by this notice may occur. In such cases you should contact the department or your tax professional for further guidance.