

## **BILL ANALYSIS**

Senate Research Center

S.B. 1572  
By: Madla  
Finance  
4-11-97  
As Filed

### **DIGEST**

Currently, the Texas Department of Transportation utilizes funds from nonconstitutionally dedicated state highway funds for aviation facility development and improvements. The amount appropriated by each legislature varies. The aviation industry pays sales and use tax, and franchise tax on the distribution, sale, manufacture, storage, and repair of aircraft, and the sale, manufacture, or repair of aviation services, parts and equipment. This revenue is deposited in the general revenue fund.

Currently, there are concerns that the general aviation airports in the Texas Airport System are in poor condition due to long-term funding deficiencies at the state, local, and federal levels. Many runways, taxiways, and aprons are reportedly in various stages of disrepair and thereby jeopardizing the needs of the sophisticated business aircraft today. Some claim that as a result of these conditions, Texas communities are at a disadvantage, when compared to communities in other states, in attracting business and industry. This bill would allow the utilization of tax revenues already contributed by the aviation industry for airport development.

### **PURPOSE**

As proposed, S.B. 1572 requires the amount of the proceeds from the collection of the taxes on the sale of aviation services, aircraft, and aviation parts to be deposited to the credit of the public aviation account to be used only for the benefit of publicly owned airports.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 151.801, Tax Code, by amending Subsections (a) and (e) and adding Subsection (f), to require the amount of the proceeds from the collection of the taxes imposed by this chapter on the sale of aviation services, aircraft, and aviation parts to be deposited to the credit of the public aviation account created by Section 21.007, Transportation Code. Requires the comptroller to certify the amount to be deposited to the account according to available statistical data indicating the estimated average or actual consumption or sales of aviation services, aircraft, and aviation parts. Authorizes the comptroller, if satisfactory data are not available, to require taxpayers who make taxable sales or use of those taxable items to report to the comptroller as necessary to make the allocation required by this subsection. Defines "aviation part." Makes conforming changes.

SECTION 2. Amends Section 171.401, Tax Code, as follows:

Sec. 171.401. New heading: DEPOSIT OF REVENUE. Requires, except as provided by Subsection (b), the revenue from the tax imposed by this chapter on corporation to be deposited to the credit of the general revenue fund. Requires revenue from the tax imposed by this chapter to be deposited to the credit of the public aviation account created by Section 21.007, Transportation Code, if the revenue is collected from taxes imposed on persons engaged in certain business activities.

SECTION 3. Amends Chapter 21A, Transportation Code, by adding Section 21.007, as follows:

Sec. 21.007. PUBLIC AVIATION ACCOUNT. Provides that a public aviation account is created as a special account in the state highway fund. Authorizes money from the account to be appropriated only for the benefit of publicly owned airports. Provides that Section 403.095, Government Code, does not apply to the account.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Emergency clause.  
Effective date: upon passage.