

2-CENT-PER-GALLON COMMERCIAL AVIATION FUEL TAX

[In millions]

Year	Tax	Year	Tax
1968.....	\$115.00	1973.....	\$191.00
1969.....	138.80	1974.....	207.80
1970.....	150.80	1975.....	226.60
1971.....	161.40		
1972.....	173.60	Total.....	1,365.00

The \$1 passenger tax and the increased ticket tax would be the simplest user fees to administer and would more fairly represent an airline passenger's use of airport facilities. But neither would generate enough revenues to cover the Federal Government's probable share of airport development costs, especially if terminal area development is included. A combination of the various taxes may have to be adopted and the committee will study proposals along these lines. Too high a fixed passenger tax would adversely affect short-haul air transportation.

General aviation must also contribute to the additional cost of airport development. At the present time there is a fuel tax on aviation gasoline used by general aviation. This does not include, however, jet fuel that is being used increasingly in pure jet and turbine-powered general aviation aircraft. Also, the amount of money derived from this tax goes into the highway trust fund, and is general aviation's contribution to the cost of maintaining and operating the airways system. This would limit the use of this user fee for airport development purposes, but some revenue could be raised by imposing upon general aviation aircraft a straight 4-cent-per-gallon nonrefundable tax on all fuel used in general aviation aircraft, including jets. Half of the revenue could be placed in the airport trust fund for construction of general aviation airports. The remainder would continue to be allocated to offset general aviation's proportionate share of the cost of the airways system. The following table shows the amount of revenue that could be generated by such a tax:

4-CENT-PER-GALLON TAX ON GENERAL AVIATION FUEL

[In millions]

Year	Tax	Year	Tax
1968.....	\$22.4	1973.....	\$32.0
1969.....	24.4	1974.....	34.4
1970.....	26.4	1975.....	36.8
1971.....	28.0		
1972.....	30.0	Total.....	204.4