SEC. ___. USE OF REVENUE.

(a) Written Assurances on Use of Revenue.—

Section 47107(b) of title 49, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—The Secretary of Transportation may approve a project grant application under this subchapter for an airport development project only if the Secretary receives written assurances, satisfactory to the Secretary, that—

“(A) local excise taxes on aviation fuel (except taxes in effect on December 30, 1987) and the revenues generated by a public airport will be expended for the capital or operating costs of—

“(i) the airport;

“(ii) the local airport system; or

“(iii) other local facilities owned or operated by the airport owner or operator
and directly and substantially related to the air transportation of passengers or property; and

“(B) State and local general sales taxes on aviation fuel (except taxes in effect on December 30, 1987) will be expended for the capital or operating costs of—

“(i) the airport;

“(ii) the local airport system;

“(iii) other local facilities owned or operated by the airport owner or operator and directly and substantially related to the air transportation of passengers or property; or

“(iv) any project eligible for Federal assistance under title 23, United States Code, or chapter 53 of title 49, United States Code.”;

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(3) by inserting after paragraph (1) the following:

“(2) SPECIAL RULE.—Revenues derived from State and local general sales taxes, State and local voter-authorized taxes, or State and local general
funds may be used to offset the amounts required to be expended under paragraph (1)(B).”;

(4) in paragraph (3) (as so redesignated) by striking “(3) Paragraph (1)” and inserting the following:

“(3) LIMITATION.—Paragraph (1)”;

(5) in paragraph (4) (as so redesignated) by striking “(4) This subsection” and inserting the following:

“(4) STATUTORY CONSTRUCTION.—This subsection”; and

(6) by adding at the end the following:

“(5) LIMITATION ON APPLICABILITY.—This subsection does not apply to a general sales tax that is—

“(A) State or local voter approved, and

“(B) in effect prior to the date of enactment of the FAA Reauthorization Act of 2018, if the appropriate taxing entity provides the Secretary with the written notice of the general sales tax not later than 90 days after the date of enactment of this paragraph.”.

(b) PROHIBITION.—Section 47133 of title 49, United States Code, is amended—

(1) in subsection (a)—
(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(B) by striking “(a) PROHIBITION.—Local taxes on aviation fuel” and inserting the following:

“(a) PROHIBITIONS.—

“(1) USE OF EXCISE TAXES.—Local excise taxes on aviation fuel”; and

(C) by adding at the end the following:

“(2) USE OF GENERAL SALES TAXES.—State and local general sales taxes on aviation fuel (except taxes in effect on December 30, 1987) may not be expended for any purpose other than the capital or operating costs of—

“(A) the airport;

“(B) the local airport system;

“(C) other local facilities owned or operated by the airport owner or operator and directly and substantially related to the air transportation of passengers or property; or

“(D) any project eligible for Federal assistance under title 23, United States Code, or chapter 53 of title 49, United States Code.
“(3) SPECIAL RULE.—Revenues derived from State and local general sales taxes, State and local voter-authorized taxes, or State and local general funds may be used to offset the amounts required to be expended under paragraph (2).”; and

(2) by adding at the end the following:

“(d) LIMITATION ON APPLICABILITY.—This section does not apply to a general sales tax that is—

“(1) State or local voter approved, and

“(2) in effect prior to the date of enactment of the FAA Reauthorization Act of 2018, if the appropriate taxing entity provides the Secretary with written notice of the general sales tax not later than 90 days after the date of enactment of this subsection.”.

(c) GENERAL SALES TAX DEFINED.—Section 47102 of title 49, United States Code, as amended by this Act, is further amended by adding at the end the following:

“(30) ‘general sales tax’ means—

“(A) general sales tax;

“(B) generally applicable sales tax; or

“(C) transactions and use tax.”.

Page 259, line 1, strike “(30)” and insert “(31)”.

Page 259, line 11, strike “(31)” and insert “(32)”.
Page 259, line 17, strike “(32)” and insert “(33)”.