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9 January 2024

Joint Committee on Taxation
100 State House Station
Room 127
Augusta, Maine 04333

TRANSMITTED VIA ELECTRONIC SUBMISSION

To: TAX@legislature.maine.gov

Re: AOPA Support for LD 2005, an act to eliminate the aircraft excise tax.

Co-chair Senator Grohoski, Representative Perry, and members of the Joint Committee on Taxation,

My name is Sean Collins, I am a resident of Brewer, Maine, and I am the Eastern Regional Manager for the Aircraft Owners & Pilots Association (AOPA). We are the world's largest aviation membership organization representing the general aviation interests of more than 300,000 aircraft owners and pilots across the country, including more than 1,300 in the state of Maine. On behalf of these members, **AOPA supports LD 2005, an act to eliminate the aircraft excise tax.**

In 2013, Maine took an important step to improve competition with neighboring states by exempting aircraft from the state sales tax. Since that time, neighboring states Massachusetts and New Hampshire have taken additional steps to reduce expenses on aircraft owners by implementing aircraft registration programs in place of expensive excise taxes. Unfortunately, the disparity in the expense to base an aircraft in Maine makes it harder for Maine's airports to attract based aircraft to the state compared to our regional competitors. This disparity is exacerbated for airports that do collect the tax, given that many municipalities with airports do not collect the aircraft excise tax at all.

To help gauge the impact that the aircraft excise tax has on Maine's airports, AOPA in partnership with the Maine Aeronautical Advisory Board, commenced a survey of the state's airports during the 2023 legislative session. The survey yielded responses from 30 airports across Maine and the following is a summary of its findings:

- 30 airports responded to the survey.
- 12 airports (40%) indicated no aircraft excise tax is collected.
- 16 airports report collecting the tax and provided collection data:
 - 12 airports (80%) reported an average of \$12,000 or less in annual collections.
 - 3 (19%) reported less than \$1,000 in annual collections.
 - 1 reported in excise of \$100,000 (resulting from a newly based jet).

As a result of these findings and given that 40% of airport respondents do not collect the aircraft excise tax, **AOPA supports LD 2005 to eliminate the growing competitive disparity between airports in Maine and to eliminate a competitive disadvantage with neighboring states.**

Thank you for considering this important matter. For questions, I can be reached by email at sean.collins@aopa.org or by calling (301)695-2090.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean M. Collins", is centered on a light-colored rectangular background.

Sean M. Collins, AOPA
Eastern Regional Manager