



KNOX COUNTY REGIONAL AIRPORT

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Maine State Legislature
Committee on Taxation
Re: LD 2005
Act to Eliminate the Aircraft Excise Tax

January 9, 2024

Dear Taxation Committee,

As the Manager of the Knox County Regional Airport in Owls Head, Maine I would like to provide testimony in opposition of LD2005, eliminating Maine's Aircraft Excise Tax.

Excise tax is a tool that shifts the financial burden of operating an airport from the regular taxpayer to the actual users of the airport. At the Knox County Regional Airport in Owls Head, excise taxes provide 15% of the Airport's operational budget. The burden of time required for executing the tax is approximately 5 minutes per aircraft. The majority of the taxes assessed for a general aviation aircraft is less than \$200. Not only is the tax appropriate, but responsible. Airport Improvement Program (AIP)

Grant Assurance #24 states:

24. Fee and Rental Structure. It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for Airport Sponsor Assurances 5/2022 Page 12 of 19 which a Grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

With the excise tax available, airports and sponsor's not utilizing the tax are not working towards sustainability, and not doing everything possible to shift the burden away from State and Federal funding sources. It is effectively

enabling the full burden of airport expenses to be borne by the taxpayer, although most users can afford the tax.

When this proposal was first presented, it was proposed as a measure that would prevent aviators from relocating their aircraft to another airfield that doesn't charge excise tax. The reason that condition exists is because Airport's are not collecting the tax, creating the disparity between airfields.

The excise tax should not be eliminated, but once collected should remain for the airport's exclusive use, offsetting the local match of any funding source, and not transferred to an airport sponsor's general fund. That would keep the funding in the system. There is talk about eliminating the excise tax, and instituting a local tax. If the sponsor is derelict in their obligations to collect a state tax due to the "burden", why would that burden be any less for a local tax. All taxpayers use roads, but not all taxpayers use airports, and the ones that don't should be asked to increase their taxes for those who do. Modify the tax, don't eliminate it.

Respectfully,

Jeremy B. Shaw

Manager,
Knox County Regional Airport