

Testimony of Allison Navia, Manager of the Sanford Seacoast Regional
and Eastern Slope Regional Airports
In favor of LD 2005, A bill to eliminate State Aircraft Excise Tax
Before the JOINT STANDING COMMITTEE ON TAXATION

January 9, 2024

Senator Grohoski, Representative Perry and distinguished members of the Joint Standing Committee on Taxation, my name is Allison Navia. I have been an airport manager in Maine since 2009. After years of experience with aircraft excise tax and determining there is a consensus of airports and municipalities throughout the state, we have brought forward LD 2005 for your consideration.

I would like to address specifically the concern surrounding reduction of revenues to municipalities. **The purpose of this bill is to generate MORE revenue to support airport operations and offset local taxes.**

More than half of the municipalities with public use airports in Maine do not currently collect the tax or collect a negligible amount each year. *The State makes no money from this State-mandated tax.*

I am specifically in favor of removing the state level tax so that each municipality can decide the fees for aircraft locally. Many will not charge it at all, some will institute a local registration program, and others may elect to adopt a fee similar to the existing tax without the long list of exemptions.

Maine Municipal Association, to my knowledge, did not reach out to the municipalities to ask their opinions. If they had they would have learned what I learned when I spoke with all 35 public use airports and their respective towns and cities: **One-size does not fit all. No revenue will be lost by removing the tax because the few municipalities that want it can adopt a local fee.**

I have asked many pilots and aviation business owners what they would do with their money if there was no longer an excise tax. The answer was almost universally to fly more. This means **more fuel sales, which DOES generate revenue for the State.**

Growth of existing businesses (think a flight school that can now buy an additional aircraft) will pay sales tax, hire people, and generate more fuel sales. The attraction of new tenants will stimulate local economies when they cause demand for new hangars, which pay local property taxes to the municipality. **The multiplication factors are much greater when you add more based aircraft than when you try and wring money out of the ones we already have and struggle to retain when neighboring states better compete.**

I respectfully request you support this bill.

Allison Navia
anavia@sanfordmaine.org (207) 324-3172



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Allison Navia
Airport Manager

9 Presidential Lane
Sanford, Maine 04073

Office: (207) 324-3172

Cell: (207) 266-6636

Fax: (207) 324-3094

anavia@sanfordmaine.org