

**Testimony of Scott E. Wardwell, Director Presque Isle International Airport
In favor of LD 2005, A bill in favor of Removing Aircraft Excise Tax
Before the JOINT STANDING COMMITTEE ON TAXATION**

(Tuesday, January 9, 2024, 1:00 PM, State House, Room 127)

Senator Grohoski, Representative Perry and distinguished members of the Joint Standing Committee on Taxation, my name is Scott Wardwell from the City of Presque Isle and I am here today to discuss with you my support for LD 2005 "An Act to Eliminate the Aircraft Excise Tax.

The City of Presque Isle is the owner and operator of the Presque Isle International Airport. Like the vast majority of the owners and operators of airports, the City of Presque Isle relies on revenues from airport users to either partially or fully offset operating and capital costs at the airport. Over the last 20 years, the Presque Isle International Airport has grown revenues from our users to the point that the operation of the facility no longer relies on any funding from City revenues like property tax.

As our fixed operating costs continue to increase, we must constantly be looking for ways to increase revenues to avoid having to turn to the local tax payer for funding. One of the ways that we do that is by increasing the number of aircraft based at Presque Isle International Airport. Aircraft, especially those owned by businesses with operations/markets nationally and internationally, are mobile and get based where the costs are favorable. So, we don't only compete with other airports within the State for revenue but we compete with States like New Hampshire and Massachusetts for these based aircraft. I mention these two States specifically because neither have Excise Tax on Aircraft and provide an easy alternative for a Maine Corporation to base their aircraft.

For the City of Presque Isle the elimination of the Aircraft Excise Tax is one of simple economics. Like Bangor, Lewiston-Auburn and Old Town to name a few, the City of Presque Isle sells fuel, hangaring and other services directly to users. In 2023, the City of Presque Isle received just over \$16,000 from Aircraft Excise Tax. For every corporate jet that we can base at Presque Isle we increase revenues to the Airport by over \$150,000.

Thank you for your time this afternoon. I would be happy to answer any questions you might have at this time.

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