



Auburn Lewiston Municipal Airport

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Testimony in Support of LD 2005, An Act to Eliminate the Aircraft Excise Tax

Senator Grohoski, Representative Perry, and members of the Taxation Committee, my name is Jonathan LaBonte and I serve as the Board Chair and Acting Airport Manager for the Auburn-Lewiston Municipal Airport, a federally obligated general aviation airport sponsored by the cities of Auburn and Lewiston. I am here to offer testimony in support of LD 2005.

The state's policy on taxation of aircraft was first introduced to me a year ago this month, as the City of Auburn issued excise tax bills to a list of aircraft owners provided by the then-Airport Manager. Having only served on the Board for one month, I was still learning processes around airport governance, let alone tax policy. What emerged was significant confusion among the major parties involved and concern and frustration by aircraft owners and aviation businesses at the airport.

Under statute, the excise tax is levied where the aircraft is based. The specific language from Title 36 is "*an aircraft is deemed to be based at the location in the State where it has been hangared, parked, tied down or moored the most nights during the 30-day period of active flying preceding payment of the excise tax. If the aircraft has not been hangared, parked, tied down or moored at a location in the State during the 30-day period of active flying preceding payment, then the aircraft is deemed to be based at the location in the State where it will be hangared, parked, tied down or moored the most nights during the 30-day period of active flying next following payment of the excise tax.*"¹.

If you followed that language, it would require either an airport employee, in the case of a public airport, or the municipal tax assessor, in the case of a private airport, to be monitoring the location of aircraft for the 30 days prior and the 30 days following the assessment of the tax. It would also be left to the airport employee or municipal assessor to determine the definition of active flying. If aircraft are awaiting or undergoing winter maintenance, as many do, are they exempt from the tax? Are only year-round residents of Maine that own and fly their aircraft in the winter at public airports liable for the tax when others that leave Maine for the winter months are not?

In Auburn, we experienced the closure of nearby Twitchell's Airport (3B5) in Turner and the relocation of not only that airport's operator and mechanic, but many of its tenants that were without a place to base aircraft. Most of those aircraft owners had not heard of the tax and assumed our airport and the City of Auburn were unilaterally trying to extract money from them as new arrivals to our airport. In our case, just one community not equitably applying the excise tax led to this most recent challenge.

Our airport hopes to attract more tenants, and in turn more private businesses like mechanics, flight schools, and charter services to join us in creating economic opportunities for our region. The administrative energy associated with tracking and billing aircraft at the local level, for its nominal return, is better spent enhancing services and generating greater revenue through land leases and property taxes for hangars and increased fuel sales. Those additional revenues will do more to reduce the property tax burden in our communities than the aircraft excise tax ever will, if the intention is to improve outcomes for local residents and taxpayers.

I have included a resolution supporting eliminating the aircraft excise tax, as adopted by our Board.

¹ <https://legislature.maine.gov/statutes/36/title36sec1484.html>



Resolution Encouraging the Repeal of the Excise Tax on Aircraft in Maine

WHEREAS, the state of Maine established an excise tax on aircraft and, until 2011, collected and distributed that on behalf of local governments, and;

WHEREAS, the state determined it was more expensive to collect and distribute aircraft excise taxes than it was receiving in revenue, and;

WHEREAS, in transferring the collection obligation to local governments in 2011, the state provided no guidance or procedures for municipal or county tax collectors to establish systems to gather data on taxable aircraft, and;

WHEREAS, the state of Maine, recognizing neighboring states did not tax sales of aircraft and aircraft parts and to support economic development in the field of aviation, exempted aircraft and aircraft parts from state sales taxes in 2011, and;

WHEREAS, the Auburn Lewiston Municipal Airport is party to a tax-sharing agreement with the City of Auburn and the City of Lewiston for excise taxes collected at the airport, and:

WHEREAS, the Auburn Lewiston Municipal Airport Board of Directors wants to attract and retain members of the general aviation community to be based at our facilities, as well as the businesses that provide them with services as they conduct work or visit our state.

NOW THEREFORE, BE IT RESOLVED, the Auburn-Lewiston Municipal Airport Board of Directors calls on Governor Janet Mills and MaineDOT Commissioner Bruce Van Note to put forward legislation that would eliminate the aircraft excise tax to further support aviation-related economic activity.

Adopted March 8, 2023 by vote of the Auburn-Lewiston Municipal Airport Board of Directors