

AVIATRON, INC.

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March 2, 2017

Re: Testimony on Aviation Sales Tax Exemption, Bill H.205, for the Vermont House Committee on Ways and Means

Dear Chair Ancel and esteemed members of this committee,

Aviatron, Inc. is a privately owned Maintenance, Repair and Overhaul Facility employing 23 people and we have been operating in Vermont since 1994. We specialize in the MRO of Commercial Aircraft parts and are always looking to expand into the Charter and Private aviation industries as opportunities are presented. We support H.205 in an effort to make permanent the sales tax exemption for aircraft and depreciable parts for commercial and private use. The aviation industry is continuously evolving and cost reductions force us to remain competitive. A permanent sales tax exemption will level the playing field with our neighboring states, thereby allowing us to continue offering competitive products and services to our customers. This will also help Vermont gain a stronger footprint in the Northeastern Aerospace Industry. More importantly, Aviatron will be able to continue employing highly skilled and well compensated Vermonters with the potential to expand as the tax landscape becomes more attractive.

The aviation industry offers countless opportunities for companies of all sizes. From a sole proprietor machinist working in a garage, to an international conglomerate that employs thousands, costs are always a major topic of discussion. Our small company alone spends millions of dollars annually right here in Vermont. We purchase parts, as well as have parts produced and rebuilt. We work with local engineering firms and highly technical production companies. We also pay rent, utilities, fees and dues just to be able to open up the shop every morning. From a personnel perspective, last year we spent in excess of \$380,000 on employee health insurance

and health related expenses alone. We offer an excellent overall employment package and we strive to keep our highly valued employees long term.

An increase of any type of tax will create a negative trickledown effect that will potentially upset the entire aviation industry in Vermont. Benefits will be cut, jobs will be lost, suppliers and service providers will lose business and all of the ancillary expenditures that a business makes on a daily basis will be impacted. Companies will either move out of state, or close down altogether and Vermont will become an even less attractive place to do business.

It is with these facts and figures that we highly endorse the proposed H.205 to make the sales tax exemption permanent. If this is not made permanent, there will be far more than just 23 people affected at a small MRO in South Burlington.

Sincerely,



Ross E. Carpenter

Vice President and Corporate Controller

Aviatron, Inc.

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