

March 2, 2017

Re: Aviation Sales Tax Exemption, Bill H.20, for the Vermont House Committee on Ways and Means

Dear Chair Ancel and esteemed members of this committee.

As President of a small business in Vermont involved in the aviation manufacturing and distribution market, I strongly support the language as presented in H.205 and making permanent the sales tax exemption for aircraft and parts, machinery and equipment to be installed in any aircraft. If allowed to sunset, not having the sales tax exemption on the purchase of parts and equipment used in the maintenance and repair of aircraft for private use will have an adverse and detrimental effect on our business.

While we are a small business located in South Burlington, a good portion of our products are exported out of state to other parts of the United States and to Canada. However, for those products sold within the State, we compete daily and in an extremely competitive market place. Adding the sales tax to our sales would place us at a competitive disadvantage with respect to our competition.

As a simple example, we introduced a product line of aircraft turbine engine lubricating oils and hydraulic oil this year. While we are now the only distributor holding stock inventory of this product line in the state, introducing the new product line, even without the added sales tax, has proven challenging. With an added sales tax, it would prove impossible.

In closing, I would like to state that we are totally in favor of the language as presented in Bill H.205.

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