



February 28, 2017

The Honorable Janet Ancel
Chair
Committee on Ways and Means
State House
P.O. Box 123
Calais, VT 05648

The Honorable William Canfield
Ranking Member
Committee on Ways and Means
State House
12 Pine Street
Fair Haven, VT 05743

Dear Chairwoman Ancel, Ranking Member Canfield, and Members of the Committee:

The National Air Transportation Association (NATA), on behalf of its member companies operating in Vermont, supports the provision in the Omnibus Economic Development Bill to make permanent the sales tax exemption for aircraft and depreciable parts for commercial and private use. Passage of this legislation will allow Vermont aviation businesses to continue to compete with neighboring states that already offer the exemption, providing job opportunities and increased general aviation activity.

NATA represents a broad array of aviation service businesses essential to a vibrant general aviation sector. Our member companies provide fuel, on-demand air charter, aircraft rental, storage, flight training, aircraft maintenance, parts sales, line support as well as business aircraft and fractional ownership fleet management. NATA members range in size from large companies with international presence to smaller, single-location operators that depend exclusively on general aviation for their livelihood.

General aviation and local airports serve as vital lifelines for communities across Vermont, aiding in business and job growth, and supporting law enforcement, medical care, disaster relief, firefighting and nearly every aspect of public safety. A 2015 report prepared by the FAA concludes civil aviation contributes \$1.1 billion in economic output, \$316 million in earnings and 11,081 jobs to the Vermont economy.

The aviation business sector is incredibly competitive, a flight as short as just a few minutes can result in a substantial savings to the customer – often in the form of savings from reduced taxes. The imposition of burdensome taxes on general aviation aircraft use and purchase will result in business lost to neighboring states. The proposed legislation allows Vermont to remain competitive with its neighbors including Maine, New Hampshire, and New York. As noted by the Vermont Chamber of Commerce, absent this exemption, Vermont aviation businesses can expect to experience reduced economic activity including direct job loss.

We believe the permanent exemption for aircraft and depreciable parts for commercial and private use proposed in the Omnibus Economic Development Bill will allow Vermont to maintain its competitive position with neighboring states and we encourage its swift enactment.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Hiller", with a long horizontal flourish extending to the right.

Martin H. Hiller
President
National Air Transportation Association