



March 24, 2017

Honorable Governor Thomas Wolf
Office of the Governor
508 Main Capitol Building
Harrisburg, PA 17120

RE: Repeal of Budget Act 52 and aviation sales tax exemptions.

Dear Governor Wolf,

On behalf of more than 11,000 Pennsylvania pilots, we ask that you reconsider the proposal to repeal Budget Act 52 for sales tax exemptions on aircraft maintenance. Eliminating this exemption will create a competitive disparity for Pennsylvania based businesses, eliminate jobs, and hurt local airports.

General Aviation is a mobile industry. While convenience is a chief concern, expense is the principal motive; even if it means leaving or skipping over Pennsylvania to save money in neighboring states. For this reason, competition at airports across state lines is fierce. The opportunity for a state to increase its competitive edge over its neighbor-states is limited, making the necessity to keep-pace, vital. To remain competitive in a region filled with aviation-friendly states, Pennsylvania must retain its targeted exemption on aircraft maintenance.

The cost of aircraft parts is typically uniform across a region. The primary difference in cost to the consumer is a combination of tax and convenience. As aircraft operators try to combine required maintenance to minimize aircraft down-time, expenses for a single visit can range from \$500 to \$500,000 and up. Therefore, if Pennsylvania repeals this targeted exemption, business managers could save as much as \$30,000 by acquiring services out of state. This savings is equivalent to half of the average co-pilot salary—a required crew member for most corporate flight departments.

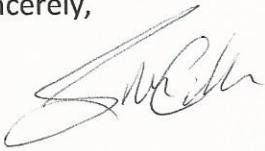
All states northeast of Ohio and north of New Jersey provide their aviation industries with these targeted exemptions. The Virginia legislature passed similar exemption legislation during the 2017 session (HB1738), as Maryland and West Virginia are currently advancing legislation that seeks to do the same.

As Pennsylvania is not a leader for aircraft maintenance and parts sales, ranked only 19th per the Aeronautical Repair Station Association (ASRS), aircraft owner/operators will acquire services elsewhere simply because it is financially beneficial to do so. If the exemption is repealed, Pennsylvania will slide from its current ranking as aviation businesses lose customers.

As these businesses wain, so too will their host airports. Many of these airports are municipally owned and rely on the revenues generated by the property leases acquired by these aviation businesses. For these reasons and the resulting negative impact on Pennsylvania communities, we oppose any proposal to repeal Act 52. Thank you for your consideration of this important matter. We welcome the opportunity to be a resource for you and the State of Pennsylvania.

The Aircraft Owners & Pilots Association (AOPA) is the world's largest aviation organization representing the general aviation interests of more than 330,000 members across the country. On behalf of our membership, AOPA is committed to ensuring the safety, future viability, and development of general aviation as an integral part of a national transportation system.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean M Collins", written in a cursive style.

Sean M Collins, AOPA
Eastern Regional Manager

CC: Honorable Leslie Richards, PA Secretary of Transportation
Honorable Senator David Argall, Senate Aviation Caucus Chair