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29 January 2020

Senator Brad Hoylman
322 Eighth Avenue, Suite 1700
New York NY 10001

SENT BY ELECTRONIC SUBMISSION

Re: New York Senate Bill 7135 – Aircraft Sales and Compensating Taxes

Honorable Senator Hoylman,

On behalf of more than 11,000 New York aircraft owners and pilots, I am writing to express our concerns with a Daily News article published on January 6th in which you are quoted regarding legislation you sponsor aimed at repealing the target sales tax exemption on aircraft sales. While the wealthy are a segment of those who recognize the value afforded by access by general aviation aircraft, I assure you the high majority of aircraft owners and pilots are in fact not of that class. The reality is those same people already receive the same tax incentive from neighboring states.

I am the Eastern Region Manager for the Aircraft Owners and Pilots Association (AOPA) and in my role I focus on regional and state aviation policy and airport support across thirteen states from Maine to the Virginias. AOPA is the world's largest aviation membership organization representing the general aviation interests of 330,000 aircraft owners and pilots across the country.

General aviation aircraft are by their nature highly mobile assets. While convenience is a chief concern, expense is the principal motivator in choosing where to base an aircraft and where to acquire services. Operators prefer to base their aircraft where services are readily available as this reduces operational downtime. Based aircraft equate to direct revenue for airports through tie-down and hangar fees and naturally purchase greater quantities of fuel as compared to their transient counterparts. This also means they pay significantly more into the state transportation system and so are of greater 'value' to New York to be based at a local airport. Because aircraft are mobile and need only be present long enough to embark or disembark passengers, operators will base aircraft where it is financially prudent to do so.

New York is home to a system of 95 public use airports. The majority of these airports are sponsored (owned) by municipalities and have received Federal Aviation Administration (FAA) airport improvement program (AIP) grants. Acceptance of these AIP grants obligates these communities to maintain the airport in a safe manner which means the sponsor is on the hook for expenses incurred beyond the limit of available grants. Therefore, it behooves these communities and the system of airports for the state to create a competitive environment that improves opportunity for private investment and increasing the number of based aircraft—both of which translate directly into airport revenue.

There are three primary revenue streams for airports to tap: 1) Airline operations 2) Based tenants and services and 3) Transient aircraft operations. As airline operations are predominantly limited to the largest airports, general aviation (GA) airports comprise most of the system. These GA airports are dependent on based tenants and services and transient operations to offset expenses. According to the National Business Aviation Association (NBAA), every based business-use aircraft accounts for an average of 5.5 jobs and more than \$1 million in annual economic activity. In the time since the exemption passed in 2015, hundreds of new aircraft have based at New York airports. Additionally, airports have received *hundreds of millions* of dollars of public and private investment as a direct result of the exemption through the construction of new hangars, terminal buildings, and other infrastructure. Many of these new aircraft relocated from neighboring states. Connecticut, Massachusetts, New Jersey and a host of other states across the region provide the same sales tax exemption on aircraft sales. Repealing the targeted exemption for New York will produce a strategic disadvantage for the state's system that will ultimately result in a withering of the investments made by both public and private entities as aircraft return to neighboring states. For these reasons, AOPA opposes S.7135/A.9053.

AOPA is committed to ensuring the safety, future viability, and development of general aviation as an integral part of a national transportation system. Please consider AOPA to be a resource on matters impacting airports and general aviation. We welcome any opportunity to meet with you to discuss these realities of New York's aviation industry in greater detail. I can be reached via email at sean.collins@aopa.org or by phone at (301) 695-2090.

Sincerely,



Sean M. Collins, AOPA
Eastern Regional Manager

CC: Senator Monica Martinez, Aviation Caucus Chair
Assembly Member Donna Lupardo, Aviation Caucus Chair
Assembly Member Robert Carrol, Sponsor A.9053