



AIRCRAFT OWNERS AND PILOTS ASSOCIATION
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Phil Boyer
President

June 7, 2007

Honorable John E. Baldacci
Office of the Governor
#1 State House Station
Augusta, ME 04333-0001

Dear Governor Baldacci:

As president of the Aircraft Owners and Pilots Association (AOPA), I represent the general aviation interests of more than 412,000 pilots nationwide – including nearly 2,200 in Maine – and I am writing to express our dismay over the aggressive and unreasonable enforcement of Maine’s Use Tax on non-resident aircraft owners.

A hallmark of your administration has been your focus on growing Maine’s economy, and we are impressed by the creativity and activity sparked during your tenure as governor. Your recognition of tourism as a vital element of Maine’s Natural Resource-based industry is an important part of your program. AOPA respectfully suggests that you consider general aviation as a building block for greater economic growth and tourism.

According to the state’s Department of Transportation, over 130,000 visitors arrive in Maine each year on general aviation aircraft. This is an important portion of the out-of-state visitors that account for more than 70% of Maine’s tourism dollars. In addition, Maine’s 54 public-use general aviation airports create jobs for over 1,500 people, and a total economic impact of over \$100 million.

Unfortunately, the enforcement policy of the Maine Revenue Services is now jeopardizing this important part of the state’s economy.

The Maine Revenue Services claims the right, under the “Maine Sales and Use Tax Law,” to impose a 5% Use Tax on aircraft and aircraft parts purchased for use in the state. Amazingly, it seems as if the presence of such an aircraft more than once in the state, however briefly and for whatever purpose, provided sufficient nexus for the Maine Revenue Services to track down the out-of-state owner and hit them with a tax bill that may run into six figures.

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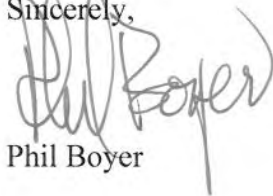
In 2005 the state legislature changed the law to exempt certain types of aircraft under specific conditions effective January 1, 2007. Nonetheless, the new law still imposes the use tax on smaller private piston aircraft that weigh less than 6,000 pounds that spend relatively little time in Maine. Not only is this discriminatory against small aircraft owners, many of whom are flying comparatively modest planes, but it creates a strong disincentive for pilots residing in nearby states to visit Maine with their business investments or tourism dollars.

Governor, the issue is one of fairness and weighing the state's economic interests. Maine's law and tax collection policies are unreasonably penalizing nonresident owners of aircraft purchased for visiting your state. This not only transgresses on the spirit of the new law, but we believe is inimical to the Commerce Clause of the U.S. Constitution and federal protection of interstate air travel. It also flies in the face of your emphasis on building a "fair and stable business environment." Additionally, the state's enforcement activities unfairly target aircraft owners. Why does Maine ignore the owners of expensive automobiles and other vehicles, or any other goods that may be brought into the state?

As Governor, we call upon you to check the excesses of your state's tax collectors, and cease their discriminatory enforcement efforts. Additionally, we urge you to work with legislators who have told us they will seek changes in Maine's sale and use tax law to further exempt aircraft. AOPA will energetically support these efforts. Please know that in the meantime, we will be advising AOPA's 410,000 members outside of Maine to forgo what might be a very costly trip to your state.

With the right tax and business climate, general aviation and nonresident pilots can play an ever-increasing role in Maine's prosperity. We stand ready to work with you in re-imagining the contribution that aviation can make to Maine's economy and quality of life. If you or your staff have any questions, or would like to discuss this matter personally, please do not hesitate to contact me or Mr. Greg Pecoraro, our Vice President of Regional Affairs, at 301-695-2106.

Sincerely,

A handwritten signature in black ink, appearing to read "Phil Boyer". The signature is written in a cursive, somewhat stylized font.

Phil Boyer