



AIRCRAFT OWNERS AND PILOTS ASSOCIATION

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Phil Boyer

President

March 20, 2008

The Honorable Charlie Crist
Governor of Florida
400 South Monroe Street
Tallahassee, Florida 32399-0001

Dear Governor Crist:

The Aircraft Owners and Pilots Association (AOPA) is a membership organization that represents the general aviation interests of over 415,000 pilots and aircraft owners nationwide, including the more than 33,000 members that reside in the state of Florida. Seventy percent (70%) of the nation's pilots are AOPA members. I am writing because of the rapidly growing concern expressed by our members over what appears to be recent aggressive enforcement of Florida's Use Tax, which has been the subject of numerous articles in the aviation media.

For many years, Florida has rightly prided itself on being one of the nation's most aviation friendly states, and Enterprise Florida has listed the thriving aviation and aerospace industry, which already has about 1800 companies located in the State, as a target growth industry for Florida. Unfortunately, anxiety in the aviation community over the application of the Florida Use Tax is tarnishing this friendly image.

The Florida Department of Revenue (FDOR) apparently believes that under Florida law, any out-of-state pilot who owns an aircraft that enters Florida within six (6) months of being purchased is subject to the Florida Use Tax if a 6% or more sales tax has not been paid in another state. This is alarming to the nation's pilots who do not reside in Florida, but fly their aircraft to Florida for business or personal transportation. As media publicity and pilot awareness grows over this issue, pilots are questioning travel to Florida. The result could be a loss of economic activity and revenue to Florida.

The Florida Department of Transportation (FDOT) maintains an up-to-date Florida Aviation Systems Plan (FASP), containing economic analysis of the benefit aviation contributes to the Florida economy. FDOT concludes that General Aviation aircraft have been bringing an estimated 9 million business and vacation travelers to Florida each year and that the general aviation industry has a total impact of \$2.3 billion dollars on the Florida economy. However, due to recent state tax policy, these numbers may now be on the decline.

To put this in context, you should know that the market for sale and resale of general aviation aircraft is very active. In 2007, AOPA documented the sale of over 50,000 aircraft, both new and used, out of a total fleet of over 224,000 in the United States. At this annual sales rate of about 22%, it is easy to see that many pilots would be likely to bring their newly purchased aircraft into Florida for business or personal travel. You can easily see why Florida's use tax policy would create a disincentive to such travel.

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Currently, AOPA is pleased to hold its annual EXPO in Florida every fourth year, and we will return once again to Tampa in 2009. This event brings thousands of our members to Florida, and many of them fly their aircraft to EXPO from around the country as they also do to the "Sun 'n' Fun" Fly-In held each year in Lakeland. These are important events in the aviation community, but the Use Tax raises concerns for pilots who plan to attend.

There is significant interest within the Florida legislature to correct this problem, but a change in law will likely be enacted too late for those aircraft owners who are concerned about the current enforcement policy on their ability to bring their aircraft to Florida to attend the Sun'n'Fun event next month. ***Consequently, I request that you authorize some form of temporary moratorium from the Florida Use Tax so that out of state aircraft owners can attend this event without fear of receiving a large tax bill from Florida.***

With successful resolution of this unreasonable imposition of a Use Tax, AOPA will rapidly publicize this fact to the pilots and aircraft owners in the nation and let them know that Florida continues to be an aviation friendly state. Please contact me, or members of my staff if you need additional information or assistance.

With the right tax and business climate, general aviation and nonresident pilots can play an ever-increasing role in Florida's prosperity. AOPA looks forward to sharing news on the successful resolution of this issue with pilots and aircraft owners to let them know that Florida continues to be an aviation friendly state. In the meantime, should 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, who can be reached at 301-695-2106.

Sincerely,



Phil Boyer

cc: Edward Bolan, President and CEO, National Business Aviation Association
John Burton, President, Sun 'n' Fun
Lisa Echeverri, Executive Director, Florida Department of Revenue
Stephanie Kopelousos, Secretary, Florida Department of Transportation
William Ashbaker, Manager, FDOT Aviation Office
Noah Lagos, President, Florida Airports Council
William Johnson, Executive Director, Florida Airports Council
Michael Slingluff, President, Florida Aviation Trades Association
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