



421 Aviation Way
Frederick, MD 21701

T. 202-737-7950
F. 202-273-7951

www.aopa.org

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Memorandum of Support Virginia House Bill 462 / Senate Bill 701

The Aircraft Owners and Pilots Association (AOPA) is the world's largest aviation organization, representing the general aviation interests of aircraft owners and pilots, including over 8,200 members in the Commonwealth of Virginia. On behalf of these members, **AOPA supports House Bill 462 / Senate Bill 701.**

The Commonwealth's system of 66 public-use airports supports 146,600 jobs earning \$7.7 Billion in wages and generates \$23 Billion in annual economic activity. This economic activity combines to deliver over \$1 Billion in federal, state, and local taxes according to the Virginia Department of Aviation's 2018 Economic Impact Report. Integral to this economic success are the airports and aviation businesses servicing based and transient aircraft.

General Aviation is a mobile industry. While convenience is a chief concern, expense is the principal motive in choosing where to base and service aircraft; even if it means leaving or skipping Virginia entirely. For this reason, competition at airports across state lines is fierce. There are limited opportunities for states to increase its competitive edge over neighboring states, making this bill critically important.

Those states that enjoy the greatest gains in economic activity employ the broadest range of incentives, avoiding sunset provisions that serve only to stifle longer term investments. 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. Given that the cost of aircraft maintenance can range from \$500 to \$500,000 and up annually, the difference of taxes can be significant. For guaranteed savings, aircraft owner/operators often acquire these services where a savings is tangibly realized. When Virginia's aviation businesses lose this business, so too do their host airports—most of which are municipally owned.

By comparison, Maryland, North Carolina, West Virginia, and Pennsylvania as well as all states north and east provide the same or similar tax exemption. It is therefore vital that Virginia continue its sales tax exemption on aircraft parts and components. Therefore, to keep pace with the competitive advances of neighboring states and ensure Virginia remains competitive, **AOPA supports House Bill 462 / Senate Bill 701.**

About AOPA—

AOPA is committed to ensuring the safety, future viability, and development of general aviation as an integral part of a national transportation system. Since 1939, AOPA has protected the freedom to fly by creating an environment that gives people of all ages the opportunity to enjoy aviation and all it has to offer. For questions, please contact AOPA Eastern Regional Manager Sean Collins at (301)695-2090 or by email at sean.collins@aopa.org.