



AIRCRAFT OWNERS AND PILOTS ASSOCIATION

421 Aviation Way • Frederick, MD 21701-4798
Telephone (301) 695-2000 • FAX (301) 695-2375
www.aopa.org

The Aircraft Owners and Pilots Association (AOPA) is a national not-for-profit membership organization that represents over 12,200 citizens of Washington. Since 1939, AOPA has been committed to ensuring the safety, future viability, and development of general aviation airports and their facilities as an integral part of our national transportation system.

HOUSE BILL 3176

The negative economic impact of the Aircraft Excise Tax Provision

Washington House Bill 3176 would replace the current system of aircraft registration fees with an annual excise tax of five-tenths of one percent of the aircraft's value – **creating the highest registration fees in the nation for several types of aircraft.** This increased burden on an already strained aviation industry will diminish levels of safety, efficiency, and the overall positive economic impact of the current aviation system in Washington, because:

- Aircraft tax liability will increase by 1,400% or more – forcing aircraft owners to reduce flying and, in some cases, sell their aircraft outright. **Less aircraft based in state and less flying = less state revenue from fuel taxes, existing registration fees, and other taxes.**
- Private individuals, air ambulances, search-and-rescue operators, flight schools, small businesses, charitable organizations, and agricultural operators would decrease number of hours flown, citizens served, and levels of commercial activity.
- **Washington will lose aircraft, businesses and associated economic activity to other states** with more competitive tax environments. 25 states have no registration fees at all – including states with the highest per-capita aviation economic contributions in the nation.
- **Responsibility for enforcement falls on the already overburdened WSDOT Aviation.** Even as the bill strips WSDOT of the income from the current aircraft registration fees and sends the money to the State's General Fund, it would assign them this hugely expensive enforcement responsibility.

General Aviation alone (all flying other than airlines and military) currently contributes approximately \$3.1 billion to the state economy per annum and supports over 7,600 jobs. While we understand the search for additional short-term revenue in the current budget environment, it is important to recognize the potential negative economic impact and the resultant actual overall net loss in revenue from a proposal of this nature. We, therefore, urge you to **oppose adoption of Washington House Bill 3176** to protect the vitality of general aviation and the state economy.