



421 Aviation Way
Frederick, Maryland 21701

T. 301-695-2000
F. 301-695-2375

www.aopa.org

February 2, 2012

The Honorable Barbara Flynn Currie
Chairperson, Rules Committee
Illinois House of Representatives
300 Capitol Building
Springfield, IL 62706

Dear Chairperson Currie:

The Aircraft Owners and Pilots Association (AOPA), a not-for-profit membership organization, represents the general aviation interests of over 400,000 members nationwide – including over 12,200 in Illinois. Since 1939, AOPA has been committed to ensuring the safety, future viability, and development of general aviation airports and their facilities as a part of our national transportation system. We write to express our opposition to provisions of Illinois House Bill 4444.

Illinois House Bill 4444 would double the registration fee for both the approximately 18,000 pilots and 10,000 aircraft owners operating in the State of Illinois. When analyzed in a vacuum, the fee increases contained in House Bill 4444 appear minimal. However, a comprehensive inspection of the Illinois aviation taxation situation illustrates the need to maintain the current fee system so that an undue financial burden on a highly mobile industry does not inadvertently drive a critically important industry from the State.

Aircraft operating in the State are already shouldering combined sales and use tax burdens significantly higher than all surrounding states. Upon initial purchase of an aircraft, the owner must pay a sales or use tax as high as 10.25% of the aircraft's value in some communities. Further, aircraft owners in Illinois are assessed the sixth highest aviation fuel tax rates in the nation via a 6% sales tax and \$0.003 per gallon fuel excise tax. Unfortunately, while most other states choose to reinvest a portion of aviation-derived revenue into the state aviation system, Illinois dedicates none of this aviation derived-revenue to the Aeronautics Office for expenditure on critical aviation infrastructure including runways, taxiways, and all weather capabilities.

As the State works to resolve its fiscal challenges, the \$6 billion annual economic impact of general aviation and its ability to continue supporting the State's economic recovery cannot be understated. Given the already significant tax burdens placed upon the Illinois general aviation sector and lack of reinvestment of existing aviation-derived revenue into the aviation system, enactment of House Bill 4444 would only serve to further depress aviation activity and its associated positive economic impact within the State of Illinois, and in turn result in a long term net loss of State revenue.

Thank you for your consideration of this important matter. We believe general aviation can continue to support the State's economic recovery without the unnecessary and economically detrimental policy contained in House Bill 4444. Should you or your staff have any questions, please do not hesitate to contact me, or our Great Lakes Regional Manager Bryan Budds at (301) 695-2095 or bryan.budds@aopa.org.

Very truly yours,


Gregory Pecoraro
Vice President, Airports and State Advocacy