AIRCRAFT OWNERS AND PILOTS ASSOCIATION

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May 17, 2005

The Honorable Joseph C. Brannigan Chair Committee on Appropriations & Financial Affairs 5 State House Station Augusta, ME 04333-0005

Re: LD 1074 (Daigle)

Dear Chairman Brannigan:

On behalf of the more than 2,200 Maine members – of the 404,000 members nationwide – of the Aircraft Owners and Pilots Association (AOPA), we are writing to express our concern with the amended version of LD 1074, which now curtails the economic benefits of an exemption from the tax on the sale or lease of aircraft to only turbine aircraft weighing over 6,000 pounds or that are in use by an FAA classified 135 operator. We are also greatly disappointed that exemption from the sales tax on repair and replacement parts used in aircraft has been removed from the bill.

It is puzzling that a bill entitled An Act To Stimulate Economic Development in Maine's Aviation Industry would exclude from its provisions the largest segment of aircraft in the aviation community: small, single engine general aviation aircraft. These lighter planes are greater in number than all other aircraft, and this new pool of customers would increase significantly the amount of aviation business conducted in Maine, and stop the flight of aviation jobs to other states. Indeed, to stay competitive, many states across the country have enacted tax policies that do not create separate "classes" of aircraft, and these states have experienced an increase in aviation related economic activity. Moreover, with more customers, aviation businesses will be able to provide many highly skilled, well-paying jobs, generating broad tax and social benefits statewide.

Given the economic good sense this makes for Maine-based pilots, aircraft sales and repair businesses, and the state of Maine itself, we strongly urge your committee to amend LD 1074 to its original form.

Thank you for your time and consideration. Should you have any questions or concerns, or should you require any further information, please contact AOPA's Northeast Regional Representative, Craig Dotlo, at (914) 631-4051 or me at (301) 695-2200.

Roger Cohen

Sincerely

Vice President, Regional Affairs

cc: Senator Margaret Rotundo, Chair, Appropriations & Financial Affairs Committee

Representative Robert Daigle, Sponsor, LD 1074

Craig Dotlo, AOPA Northeast Regional Representative

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cc: Representative Joseph Brannigan, Chair, Appropriations & Financial Affairs Committee

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Craig Dotlo, AOPA Northeast Regional Representative