



AIRCRAFT OWNERS AND PILOTS ASSOCIATION

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January 15, 2015

The Honorable Brandt Hershman
Chair, Tax and Fiscal Policy Committee
Indiana Senate
200 W. Washington Street
Indianapolis, IN 46204

Dear Chairman Hershman:

The Aircraft Owners and Pilots Association (AOPA), a not-for-profit membership organization, is the world's largest aviation organization, representing the interests of general aviation aircraft owners and operators – including over 7,000 in Indiana. 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 support for Indiana Senate Bill 25.

Indiana is home to approximately twelve aircraft dealers that maintain an inventory of aircraft available for sale both within Indiana and across the nation. Under the Indiana Code, aircraft dealers are not required to remit sales tax or aircraft registration excise tax on their inventory aircraft provided that the dealers are registered with the State. Given the wide range of available aircraft types, sizes, equipage, and mission capabilities, many of these aircraft require a specialized buyer and consequently can remain in a dealer's inventory for an extended period of time.

However, Indiana Code further stipulates that an aircraft may only be considered part of a dealer's inventory for up to 18 months. After this 18 month period ends, the aircraft becomes reclassified as 'property of a non-dealer' and subject to all applicable fees and taxes. The imposition of 'all applicable fees and taxes' can impose a significant financial burden on aircraft dealers as they attempt to sell their aircraft and can potentially decrease their ability to compete with aircraft dealers in neighboring States.

To address this issue and to allow Indiana's aircraft dealers to continue to compete with other regional aircraft dealers as part of Indiana's \$5.8 billion general aviation industry, AOPA urges your support for Senate Bill 25 which would eliminate reclassification of inventory aircraft after 18 months. Should you have any questions or concerns, please do not hesitate to contact me at 301-695-2095 or at bryan.budds@aopa.org.

Very truly yours,

Bryan Budds
Great Lakes Regional Manager