



AIRCRAFT OWNERS AND PILOTS ASSOCIATION

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January 26, 2015

The Honorable Dr. Tim Brown
Chair, Ways and Means Committee
Indiana House of Representatives
200 W. Washington Street
Indianapolis, IN 46204

RE: Aviation Fuel Tax Dedication Contained in House Bill 1267

Dear Chairman Brown:

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 pilots – 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 House Bill 1267.

Indiana House Bill 1267 would modify the distribution of sales tax revenue collected on aircraft purchases and excise tax revenue collected on aviation fuels from the general fund to the airport development grant fund (ADGF). The ADGF is used by the Indiana Department of Transportation Aviation Division to maintain and upgrade critical aviation infrastructure and to provide state matching funds to Federal Aviation Administration (FAA) Airport Improvement Grants.

Recently, the FAA has clarified its *Policy and Procedures Concerning the Use of Airport Revenue* in Federal Register Volume 79, No. 216. The policy reaffirmed the FAA's requirement that any aviation fuel taxes imposed by a state or municipal body at a federally-funded airport must be reinvested in the aviation system. Currently, the aviation fuel excise tax contained in IC 6-6-13 is deposited into the state general revenue fund and may be viewed by the FAA as improperly diverted airport revenue. With this situation in place, the FAA may withhold grant funding for airports in Indiana causing aviation infrastructure to fall into disrepair and limit the safe and efficient operations of Indiana's commercial and general aviation airports alike.

By passing Indiana House Bill 1267, this issue would be remedied and Indiana would again be compliant with the FAA and its policies. Further, Indiana would be well positioned to attract additional federal grants for its airports which in turn would strengthen the \$5.8 billion annual economic impact of general aviation in Indiana.

Thank you for your attention to this important issue. 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