

## AIRCRAFT OWNERS AND PILOTS ASSOCIATION

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

February 15, 2015

The Honorable D. Scott Dibble Chair, Transportation and Public Safety Committee Minnesota Senate 111 Capitol St. Paul, MN 55155-1606

RE: Fuel Tax Modification for Aircraft Using Automobile Fuels Contained in Senate File 269

Dear Chairman Dibble:

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 7,400 in Minnesota. 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 Minnesota Senate File 269.

Senate File 269 modifies the tax rate and distribution of revenue from the sale of automobile fuels that are used as a substitute for aviation gasoline. Currently, several hundred aircraft operating in Minnesota are equipped with specialized aircraft engines that are able to burn traditional aviation fuel in addition to high-octane, ethanol-free automobile fuel. In some cases, this fuel is being taxed at a rate inconsistent with other aviation fuels and the revenue is being utilized to support highway infrastructure rather than aviation infrastructure.

Senate File 269 addresses this issue by applying the current aviation fuel tax rate to automobile fuel being used as a substitute for aviation fuel and deposits the revenue collected from the sale of this aviation fuel substitute in the state airport fund for maintenance and upgrades of critical aviation infrastructure in the State. With this additional funding, the state airport fund will be better suited to provide state grants for airport projects and provide state matching funds for Federal Aviation Administration Airport Improvement grants and in turn will strengthen the \$2.9 billion annual economic impact of general aviation in Minnesota.

Thank you for your consideration of this important matter. Should you or your staff have any questions, please do not hesitate to contact me at 301-695-2095 or at <u>bryan.budds@aopa.org</u>.

Very truly yours,

- Buch

Bryan Budds Great Lakes Regional Manager