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The Honorable Howard Marklein
Chairman, Ways and Means Committee
Wisconsin Assembly
Room 214 North
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Chairman Marklein:

The Aircraft Owners and Pilots Association (AOPA), a not-for-profit membership organization, represents the general aviation interests of nearly 400,000 members nationwide – including over 6,500 in Wisconsin. 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 Wisconsin Assembly Bill 438 which modifies an existing sales tax exemption on the purchase of parts used for the maintenance of aircraft.

Currently, Wisconsin is home to over 95 aircraft repair facilities providing more than 1,600 Wisconsin residents with family-sustaining jobs and supporting more than 16,000 general aviation dependent jobs across the industry. However, the opportunity for growth of the aviation sector has been limited as neighboring States – including Ohio, Minnesota, Indiana, Michigan, and others – have enacted similar legislation exempting aircraft parts from state sales taxes. Immediately following enactment of similar legislative language, these other states have begun to attract significant amounts of aviation repair activity and economic impact away from Wisconsin and its aviation-dependent businesses. Assembly Bill 438 takes an important step in stopping the exodus of aircraft and, in turn, protecting and promoting Wisconsin's existing aviation maintenance operations, their thousands of employees, and the more than \$209 million economic impact of aircraft maintenance and repair.

Consider a small, 4-seat Cessna 172 that requires an engine replacement valued at \$20,000. This aircraft, based in Eau Claire, would pay nearly \$1,000 in sales tax for an engine replacement while, on the other hand, that same aircraft owner could take a 30 minute flight to the Twin Cities and avoid that tax altogether. Further, an engine overhaul for a King Air C90 aircraft, routinely being chartered by numerous Wisconsin businesses, can have a sales tax liability exceeding \$12,500 for one engine and more than \$25,000 for overhaul of both of the aircraft's engine. A short flight to *any* of Wisconsin's surrounding States will allow the aircraft owner to save upwards of \$25,000 – simply by leaving Wisconsin.

By leveling the playing field for Wisconsin's 95 aircraft repair facilities, Assembly Bill 438 will stop the exodus of highly skilled aviation maintenance jobs to neighboring States. Further, the State will experience an overall net gain in revenue far outweighing any possible fiscal impact of the measure as Wisconsin's \$3.5 billion annual economic impact begins to expand as a result of passage of Assembly Bill 438.

Thank you for your consideration of this important matter. Should you or your staff have any question, please do not hesitate to contact me or our national director of state government affairs, Mark Kimberling at (301)695-2000.

Very truly yours,

Bryan Budds
Great Lakes Regional Manager