

TAX PROPOSED ON AVIATION IN CONNECTICUT

February 22, 2011

What's at Issue

Connecticut Governor Dan Malloy released his budget proposal on February 17, 2011, which includes a provision impacting aviation in the state.

Why It's Important

The proposal would repeal the current tax exemption for aircraft parts and maintenance on aircraft under 6,000 pounds and assess personal property tax on aircraft. [House Bill 6387](#), if passed, would tax aircraft at 70% of their value factored by a "mill" rate of 20 (one mill is one-tenth of a cent (\$0.001)).

For example, a corporate jet valued at \$20 million would be assessed an annual tax of \$280,000. It appears that there is no weight limit associated with this proposal; therefore, all aircraft in the state would be impacted.

The Connecticut House of Representatives Committee on Finance is expected to convene within the next few days to begin work on this and other bills.

What to Do

NATA is urging its members who have an interest in the state of Connecticut to respond to this call to action immediately! Talking points on the issue are provided below. Contact the governor's office and elected representatives in Connecticut to voice your opposition.

[To contact Connecticut Representatives of the House and Senate, please click here.](#)

[To contact members on the Connecticut State House Committee on Finance, please click here.](#)

[To contact the Office of Governor Malloy, please click here.](#)

➤ **TALKING POINTS:**

- Surrounding states, Maine, Rhode Island, New Jersey, and New York, do not impose personal property taxes on aircraft. Therefore, because aircraft are mobile assets, owners, especially corporate owners, are likely to reestablish their aircraft in one of those states.

OVER...

(What to Do Continued)

- Airports and airport-based businesses will lose revenue from loss of fuel, hangar and maintenance purchases.
- Aerospace and aviation provide 45,800 jobs, resulting in a \$2.77 billion payroll to the state.
- This tax proposal will result in a significant loss of jobs and revenue as aircraft owners seek to avoid this onerous tax proposal.

NATA Position

NATA strongly encourages its members to be outspoken in opposition to HB 6387. The association has worked with its members in various states and has defeated similar budget proposals, but your action is required.

Status

The Connecticut House of Representatives Committee on Finance will review HB 6387 very soon. PLEASE ACT NOW!

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